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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended: September 30, 2026

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-38302

NRX PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**82-2844431**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1201 Orange Street, Suite 600
Wilmington, DE 19801
(Address of principal executive offices) (Zip Code)

(484) 254-6134
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Trading Symbol(s)**	**Name of each exchange on which registered:**
Common Stock, par value $0.001 per share	NRXP	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 16, 2026, the registrant had 44,327,982 shares of common stock, par value $0.001 per share (the "common stock"), outstanding.

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PART I FINANCIAL INFORMATION

Item 1. Financial Statements

NRX PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	September 30, 2026	December 31, 2025
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 19,822	$ 7,797
Accounts receivable, net	218	161
Prepaid expense and other current assets	2,169	934
Total current assets	22,209	8,892
Investments	403	397
Property and equipment, net	901	63
Right-of-use assets, net	802	414
Right-of-use asset - related party, net	141	219
Intangible assets, net	787	925
Goodwill	2,350	1,793
Other assets	222	253
Total assets	$ 27,815	$ 12,956
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 4,109	$ 4,270
Accrued and other current liabilities	11,768	11,337
Accrued clinical site costs	340	351
Insurance loan payable	260	—
Warrant liabilities	12,346	12,304
Lease liability, short term	313	211
Lease liability, short term - related party	113	105
Total current liabilities	29,249	28,578
Lease liability, noncurrent	522	199
Lease liability, noncurrent - related party	30	116
Total liabilities	29,801	28,893
Commitments and Contingencies (Note 10)		
Stockholders' deficit:		
Preferred stock, $0.001 par value, 50,000,000 shares authorized.	$ —	$ —
Series A convertible preferred stock, $0.001 par value, 12,000,000 shares authorized; 0 shares issued and outstanding as of September 30, 2026 and December 31, 2025	—	—
common stock, $0.001 par value, 500,000,000 shares authorized; 43,207,744 and 31,734,333 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	43	32
Additional paid-in capital	324,991	290,926
Accumulated deficit	(327,020)	(306,895)
Total stockholders' deficit	(1,986)	(15,937)
Total liabilities and stockholders' deficit	$ 27,815	$ 12,956

The accompanying notes are an integral part of these condensed consolidated financial statements.

NRX PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net patient service revenue	$ 1,159	$ 242	$ 3,328	$ 242
Operating expenses:				
Cost of patient services	874	97	2,180	97
Research and development	1,808	1,429	5,233	3,219
Selling, general and administrative	6,560	2,808	15,118	8,492
Depreciation and amortization	62	26	196	28
Settlement expense (income)	—	(94)	(3)	6
Total operating expenses	9,304	4,266	22,724	11,842
Loss from operations	(8,145)	(4,024)	(19,396)	(11,600)
Other expenses (income):				
Interest income	(4)	(2)	(15)	(8)
Interest expense	239	—	708	—
Change in fair value of convertible notes payable	—	1,502	—	8,032
Change in fair value of warrant liabilities	(6,204)	4,963	42	8,481
Loss on issuance of Registered Direct Offering	—	—	—	730
Loss on Consideration Shares and Warrants	—	—	—	1,277
Loss on convertible note conversions	—	772	—	4,239
Gain on exercise of warrants	—	(5,369)	—	(5,369)
Income from equity method investment	(1)	—	(6)	—
Total other (income) expense, net	(5,970)	1,866	729	17,382
Net loss	$ (2,175)	$ (5,890)	$ (20,125)	$ (28,982)
Net loss per share:				
Basic and diluted	$ (0.05)	$ (0.27)	$ (0.53)	$ (1.54)
Weighted average common stock outstanding:				
Basic and diluted	43,171,238	22,231,178	37,729,613	18,881,968

The accompanying notes are an integral part of these condensed consolidated financial statements.

NRX PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(in thousands, except share data)
(Unaudited)

	Preferred Stock		Series A Preferred Stock		Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance – December 31, 2025	—	$ —	—	$ —	**31,734,333**	**$ 32**	**$ 290,926**	**$ (306,895)**	**$ (15,937)**
At-the-market "ATM" offering, net of offering costs of $81	—	—	—	—	1,736,982	1	3,423	—	3,424
Amortization of prepaid offering costs	—	—	—	—	—	—	(24)	—	(24)
Stock-based compensation	—	—	—	—	—	—	151	—	151
Net loss	—	—	—	—	—	—	—	(1,430)	(1,430)
Balance – March 31, 2026	—	$ —	—	$ —	**33,471,315**	**$ 33**	**$ 294,476**	**$ (308,325)**	**$ (13,816)**
At-the-market "ATM" offering, net of offering costs of $188	—	—	—	—	3,075,990	3	8,401	—	8,404
Amortization of prepaid offering costs	—	—	—	—	—	—	(65)	—	(65)
Common stock issued as a result of cashless exercise of warrants	—	—	—	—	3,336	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	95	—	95
Common stock issued in exchange for services	—	—	—	—	218,161	—	972	—	972
Vesting of restricted stock awards	—	—	—	—	10,000	—	44	—	44
Shares issued with underwritten public offering, net	—	—	—	—	6,378,942	7	20,709	—	20,716
Net loss	—	—	—	—	—	—	—	(16,520)	(16,520)
Balance at June 30, 2026	—	$ —	—	$ —	**43,157,744**	**$ 43**	**$ 324,632**	**$ (324,845)**	**$ (170)**
Stock-based compensation	—	—	—	—	50,000	—	170	—	170
Common Stock issued in exchange for services	—	—	—	—	—	—	189	—	189
Net loss	—	—	—	—	—	—	—	(2,175)	(2,175)
Balance at September 30, 2026	—	$ —	—	$ —	**43,207,744**	**$ 43**	**$ 324,991**	**$ (327,020)**	**$ (1,986)**

	Preferred Stock		Series A Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2024	—	$ —	—	$ —	**14,591,505**	**$ 15**	**$ 255,035**	**$ (278,273)**	**$ (23,223)**
Shares issued as repayment of principal and interest for convertible note	—	—	—	—	1,009,518	1	2,939	—	2,940
Shares issued with registered direct offering, net of offering cost	—	—	—	—	1,215,278	1	3,254	—	3,255
Fair Value of warrants issued with registered direct offering	—	—	—	—	—	—	(3,255)	—	(3,255)
Amortization of prepaid offering costs	—	—	—	—	—	—	(7)	—	(7)
Shares issued as a result of repricing under VWAP	—	—	—	—	303,819	—	629	—	629
Stock-based compensation	—	—	—	—	—	—	12	—	12
Net loss	—	—	—	—	—	—	—	(5,512)	(5,512)
Balance at March 31, 2025	—	$ —	—	$ —	**17,120,120**	**$ 17**	**$ 258,607**	**$ (283,785)**	**$ (25,161)**
Shares issued in exchange for services	—	—	—	—	75,000	—	150	—	150
Shares issued as conversion of principal and interest for convertible note	—	—	—	—	1,879,406	2	5,981	—	5,983
Amortization of deferred offering costs	—	—	—	—	—	—	(85)	—	(85)
At-the-market "ATM" offering, net of offering costs of $26	—	—	—	—	399,078	—	1,012	—	1,012
Stock-based compensation	—	—	—	—	—	—	67	—	67
Net loss	—	—	—	—	—	—	—	(17,581)	(17,581)
Balance at June 30, 2025	—	$ —	—	$ —	**19,473,588**	**$ 19**	**$ 265,732**	**$ (301,366)**	**$ (35,615)**
Stock-based compensation	—	—	—	—	—	—	68	—	68
Common Stock issued as a result of exercise of warrants	—	—	—	—	1,870,962	2	3,085	—	3,087
ATM offering, net of offering costs of $110	—	—	—	—	1,350,788	1	3,739	—	3,740
common stock issued in exchange for services	—	—	—	—	150,000	1	450	—	451
Shares issued as repayment of principal and interest for convertible note	—	—	—	—	877,193	1	2,218	—	2,219
Shares issued with registered direct offering, net of offering cost of $321	—	—	—	—	3,959,999	4	6,209	—	6,213
Amortization of prepaid offering costs	—	—	—	—	—	—	(28)	—	(28)
Net loss	—	—	—	—	—	—	—	(5,890)	(5,890)
Balance at September 30, 2025	—	$ —	—	$ —	**27,682,530**	**$ 28**	**$ 281,473**	**$ (307,256)**	**$ (25,755)**

The accompanying notes are an integral part of these condensed consolidated financial statements.

NRX PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (20,125)	$ (28,982)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	196	28
Amortization of operating right of use assets	345	15
Stock-based compensation	478	147
Common stock issued in exchange for services	1,142	600
Provision for credit losses	65	—
Change in fair value of warrant liabilities	42	8,481
Change in fair value of convertible promissory notes	—	8,032
Loss on convertible note conversions	—	4,239
Gain on exercise of warrant liabilities	—	(5,369)
Loss on issuance of registered direct common stock	—	730
Loss on Consideration Shares and Warrants	—	1,277
Income from equity method investments	(6)	—
Expense for debt issuance costs due to fair value election on Anson Notes	—	350
Changes in operating assets and liabilities:		
Prepaid expense and other assets	(1,293)	414
Account receivable	(122)	12
Accounts payable	(160)	100
Operating lease liabilities	(308)	(63)
Accrued expense and other liabilities	(136)	(412)
Net cash used in operating activities	(19,882)	(10,401)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(896)	—
Business acquisition, net of cash acquired	—	(2,561)
Net cash used in investing activities	(896)	(2,561)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of insurance note	(203)	(394)
Expense for debt issuance costs due to fair value election on Anson Notes	—	(350)
ATM offering, net of offering costs	11,828	4,751
Proceeds from issuance of insurance loan	462	227
Proceeds from issuance of common stock in underwritten public offering, net of issuance costs	20,716	—
Proceeds from issuance of common stock and warrants issued in registered direct offering, net of issuance costs	—	9,468
Proceeds from Anson convertible notes, net of OID	—	5,000
Net cash provided by financing activities	32,804	18,701
Net increase in cash and cash equivalents	12,025	5,741
Cash and cash equivalents at beginning of period	7,797	1,443
Cash and cash equivalents at end of period	$ 19,822	$ 7,184
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ —	$ 374
Cash paid for taxes	$ —	$ —
Non-cash investing and financing activities:		
Issuance of common stock as principal and interest repayment for convertible notes	$ —	$ 11,142
Goodwill adjustment	$ 557	$ —
New right of use asset and lease liability	$ —	$ —
Amortization of deferred offering costs to additional paid-in capital	$ 88	$ 120
Exercise of the warrants for subscription receivable	$ —	$ 3,087

The accompanying notes are an integral part of these condensed consolidated financial statements.

NRX PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2026
(Unaudited)

Note 1. Business and organization

The Business

NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("NRx", the "Company", "we", "us" or "our") is a commercial-stage bio-pharmaceutical company that controls an ecosystem of Companies focused on the treatment of central nervous system disorders including suicidal depression, chronic pain, post-traumatic stress disorder ("PTSD"), ALS, Multiple Sclerosis, and schizophrenia.

NRx is additionally the founder and majority owner of HOPE Therapeutics, Inc. ("HOPE"), a medical services company that offers interventional psychiatry care to patients with treatment-resistant depression and PTSD with a combination of neuroplastic drugs, transcranial magnetic stimulation ("TMS"), digital therapeutics, and hyperbaric therapy. HOPE Therapeutics was founded by the Company in February 2024 with the intent of developing a medical care delivery organization focused on providing cutting-edge, comprehensive interventional psychiatric treatment with the most effective treatments available, including NMDA-targeted and other neuroplastic drugs, such as ketamine, Spravato and NRX-101, neuromodulatory devices, such as TMS, hyperbaric therapy, digital therapeutics, and medication management. During 2025, the Company developed the operating model for HOPE and made initial clinic acquisitions with funding from the B-Group. HOPE generated its first clinical revenue in Q4 2025 and as of September 30, 2026, operates in six locations in Florida, including Dura Medical, Cohen Associates, and three clinics founded by HOPE. The enterprise offers precision-based interventional psychiatry services, including ketamine infusion therapy, TMS, Spravato®, stellate ganglion blocks, and psychotherapy (See Note 16). HOPE is supported by HTX Management Company, LLC ("HTX"), a majority owned subsidiary of HOPE organized as a Delaware limited liability company, for the purpose of supporting future back-end operations associated with the growing network of HOPE clinics.

In its first year of operation, HOPE's leadership recognized the widespread challenges affecting the TMS clinic industry and chose to partner in the development of innovative technologies with thought leaders at Harvard McLean hospital and the Yale Department of Psychiatry. This led to HOPE's partnerships with Neurocare, AG, a German manufacturer of TMS equipment and Zeta Surgical, Inc., manufacturer of the first neuronavigated, robotic precision TMS system. This partnership led to NRx Defense Systems, Inc. ("NRXD") selection by DARPA to lead the SPARC-TMS trial. When combined with NRx's NRX-101 oral medication, the Company aims to deliver precision and efficacy in treating depression and PTSD that surpasses currently available solutions. In the preamble to the DARPA contract, the Department of War states that success in the SPARC-TMS project has potential to set the standard of care for treating depression in the military.

During 2026, NRx founded NRXD as a qualified military contractor in response to an invitation from the Defense Advanced Research Projects Agency (DARPA) to submit a bid under their Broad Area Announcement. NRXD focuses on military and first-responder uses of NRx/HOPE technology in partnership with DARPA, the Uniformed Services Health Sciences University (USU), the Walter Reed National Military Medical Center/Henry Jackson Foundation, and first responder organizations. In October 2026, NRXD was awarded the $11.25 million Prime Contract to lead the SPARC-TMS clinical trial (07227103) by the Defense Advanced Research Projects Agency (DARPA) as a lead component of the STRENGTHEN program focused on treating depression, PTSD, and suicidality in the military. NRXD is partnered with Harvard McLean Hospital and Arizona State University in the conduct of this trial.

During 2026, NRx also founded GeNeuro, Inc., a development-stage biotechnology company based on novel discoveries related to the role of Human Endogenous RetroViruses (HERVs) in causing neurodegenerative disease. HERVS are fossilized viruses that entered the human gene pool over the course of evolution and are considered part of the "dark genome." Recent evidence demonstrates that when elements of HERVs aberrantly enter the "reading frame" and begin replicating in adult life, they may cause devastating neurodegenerative diseases. GeNeuro is developing GNK-301 for the treatment of ALS through its partnership with the U.S. National Institutes of Health ("NIH") through a Cooperative Research and Development Agreement (CRADA) and shared patents and has been selected in the first round of the 2026 Congressionally Directed Medical Research Program ("CDMRP"). GeNeuro, Inc. is additionally partnered through shared patents related to treatment of Schizophrenia with the Fondation FondaMental of France. GeNeuro owns patented monoclonal antibodies developed with more than EU 180 million of European investment funding to treat Amyotrophic Lateral Sclerosis ("ALS"), Multiple Sclerosis ("MS"), psychosis, and Type I diabetes ("T1D") that may be caused by Human Endogenous Retroviruses ("HERVs").

Since the end of the third quarter, the mission of the NeuroRx Pharmaceuticals division was expanded to encompass the manufacture and immediate commercial distribution of a broader array of sterile injectable products to meet urgent United States market demand. This expansion began with the grant of our first Abbreviated New Drug Approval by the US Food and Drug Administration on October 29, 2026 for a preservative-free ketamine product, which has now entered the commercial launch phase. The Company has recruited and trained a seventeen-person sales force and initiated marketing of the ketamine product with anticipated net margins that are consistent with innovative drugs. Efficiencies are driven by the innovative blow-fill-seal (BFS) packaging solution that is far less costly than traditional glass bottle packaging currently used in sterile injectable drugs. NeuroRx continues to develop innovative forms of ketamine to treat depression and PTSD (NRX-100/200) and an oral neuroplastic drug (NRX-101) that has demonstrated phase 2 proof of concept for suicidal bipolar depression and, more recently, for the augmentation of Transcranial Magnetic Stimulation (TMS) in Treatment-Resistant Depression.

Note 2. Significant accounting policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") as determined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") and the rules and regulations of the Securities and Exchange Commission ("SEC") for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments, necessary for the fair presentation of the condensed consolidated balance sheet, statements of operations, and cash flows for the interim periods presented. The results of operations for any interim periods are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period. The condensed consolidated financial statements include the accounts of NRx Pharmaceuticals, Inc. and its wholly and majority owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Liquidity and Going Concern

The accompanying unaudited condensed consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. Since inception, the Company has incurred recurring operating losses and negative cash flows from operations. For the nine months ended September 30, 2026, the Company reported a net loss of approximately $20.1 million, used cash in operations of approximately $19.9 million, had a shareholders' deficit of approximately $2.0 million. As of September 30, 2026, the Company had cash and cash equivalents of $19.8 million and a working capital deficit of $7.0 million.

The Company generated initial patient service revenue of approximately $1.2 million and $3.3 million during the three and nine months ended September 30, 2026, respectively, following the acquisition of Dura on September 8, 2025. Management expects to continue incurring operating losses through at least the remainder of 2026 as it integrates Dura and pursues additional acquisitions through its HOPE subsidiary. While management projects incremental revenue from clinical operations and, upon regulatory approval, from pharmaceutical product sales, these projections are subject to significant uncertainty, including successful completion of pending acquisitions and receipt of FDA approval for NRX-100 and NRX-101.

The Company has secured operating capital and contractual receivables that together with rising clinical revenues, anticipated pharmaceutical sales, and potential ATM proceeds provide anticipated resources sufficient to fund operations for the foreseeable future. The Company additionally expects to continue to accrue revenue from clinical operations and utilize its existing at-the-market offering to provide cash resources to further support operations. The Company may pursue additional equity or debt financing or refinancing opportunities to fund ongoing clinical activities and for general corporate purposes. Such arrangements may take the form of loans, equity offerings, strategic agreements, licensing agreements, joint ventures, or other agreements. The sale of equity could result in additional dilution to the Company's existing stockholders. The Company will continue to carefully monitor the impact of its continuing operations on the Company's working capital needs and debt repayment obligations. As such, the Company has concluded that substantial doubt exists regarding the Company's ability to continue as a going concern for a period of at least twelve months from the date of issuance of these consolidated financial statements. The accompanying consolidated financial statements have been prepared assuming the Company will continue to operate as a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. They do not include any adjustments to reflect the possible future effects on the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the company be unable to continue as a going concern.

In addition, the Company's independent registered public accounting firm, in its report on the Company's consolidated financial statements for the year ended December 31, 2025, included an explanatory paragraph about the substantial doubt about the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments that might result from this uncertainty.

Use of Estimates

The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported amounts of expenses during the reporting period. The most significant estimates in the Company's consolidated financial statements relate to the allowance for credit losses on accounts receivable, fair value of the convertible notes payable, fair value of warrant liabilities, fair value of stock options and warrants, fair value of the shares of common stock shares granted for services, fair value of the purchase price and the assets acquired and liabilities assumed in business combinations, the fair value of intangible assets and goodwill, the fair value of lease liabilities and related right of use assets, and the utilization of deferred tax assets. Actual results may differ from these estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2026 presentation.

Certain Risks and Uncertainties

The Company's activities are subject to significant risks and uncertainties, including the risk of failure to secure additional funding to properly execute the Company's business plan. The Company is subject to risks that are common to companies in the pharmaceutical industry, including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, reliance on third party manufacturers, protection of proprietary technology, and compliance with regulatory requirements.

Fair Value of Financial Instruments

FASB ASC Topic 820, Fair Value Measurements ("ASC 820"), provides guidance on the development and disclosure of fair value measurements. Under this accounting guidance, fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or a liability.

The accounting guidance classifies fair value measurements in one of the following three categories for disclosure purposes:

Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3: Unobservable inputs which are supported by little or no market activity and values determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation (Refer to Note 13).

Business Acquisitions

The Company recognizes and measures identifiable tangible and intangible assets acquired and liabilities assumed as of the acquisition date at fair value. Fair value measurements require extensive use of estimates and assumptions, including estimates of future cash flows to be generated by the acquired assets. The operating results of the acquired business are included in our consolidated financial statements beginning on the date of acquisition. The purchase price is equivalent to the fair value of consideration transferred. Goodwill is recognized for the excess of purchase price over the net fair value of assets acquired and liabilities assumed. Acquisition-related costs are expensed as incurred.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the time of initial purchase to be cash equivalents, including balances held in the Company's money market accounts. The Company maintains its cash and cash equivalents with financial institutions, in which balances from time to time may exceed the U.S. federally insured limits. The objectives of the Company's cash management policy are to safeguard and preserve funds to maintain liquidity sufficient to meet the Company's cash flow requirements, and to attain a market rate of return.

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents. Cash equivalents are occasionally invested in certificates of deposit. The Company maintains each of its cash balances with high-quality and accredited financial institutions and accordingly, such funds are not exposed to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. Deposits in financial institutions may, from time to time, exceed federally insured limits. As of September 30, 2026, the Company's cash and cash equivalents balance within money market accounts was in excess of the U.S. federally insured limits by $19.6 million. The Company has not experienced any losses on its deposits of cash.

Accounts Receivable, net

Accounts receivable are recorded at the estimated transaction price (net of contractual adjustments, discounts, and implicit price concessions). The Company applies the Current Expected Credit Loss ("CECL") model to estimate lifetime expected credit losses on trade receivables and contract assets, pooling receivables by payer type and aging and incorporating historical loss experience, current conditions, and reasonable and supportable forecasts with reversion to historical loss information beyond the forecast horizon. Receivables are written off when collection is deemed remote; recoveries are recognized when received. The Company does not have any off-balance sheet credit exposure related to its customers.

Intangible Assets

The Company's intangible assets consist of customer relationships, trade name, and non-compete agreements. Customer relationships represent the value of established patient relationships and referral sources that are expected to generate recurring revenue streams. Trade name represents the value associated with the brand name in place at the date of the acquisition. The customer relationships and trade name are being amortized over a 3-year term and 10-year term, respectively, based on the estimated economic useful life of the customer relationships and trademark. The amortization of intangible assets is computed using the straight-line method.

The Company evaluates its definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such indicators may include adverse changes in market conditions, legal or regulatory developments, or underperformance relative to expectations. If indicators are present, the Company performs a recoverability test by comparing the asset's carrying amount to the undiscounted future cash flows expected to result from its use and eventual disposition. If the carrying amount is not recoverable, an impairment loss is recognized for the excess of the carrying amount over the asset's fair value.

Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value assigned to its net assets. Goodwill is not amortized but is tested for impairment at a reporting unit level on an annual basis or when an event occurs, or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. Events or changes in circumstances that may trigger interim impairment reviews include, but not limited to, significant adverse changes in business climate, operating results, planned investments in the reporting unit, or an expectation that the carrying amount may not be recoverable, among other factors.

The Company may first assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events and circumstances, the Company determines it is more likely than not that the fair value of the reporting unit is greater than its carrying amount, an impairment test is unnecessary. If an impairment test is necessary, the Company will estimate the fair value of its related reporting units. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is determined to be impaired, and the Company will proceed with recording an impairment charge equal to the excess of the carrying value over the related fair value. No impairment of goodwill was recorded during the three and nine months ended September 30, 2026 and 2025.

Property and Equipment, net

Property and equipment, net is stated at cost less accumulated depreciation. These assets are depreciated over their estimated useful lives of five to seven years using the straight-line method.

The Company adheres to FASB ASC 360, *Property, Plant, and Equipment* and periodically evaluates whether current facts or circumstances indicate that the carrying value of its depreciable assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived assets, or the appropriate grouping of assets, is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value. For long-lived assets, the estimate of fair value is based on various valuation techniques, including a discounted value of estimated future cash flows. The Company reports an asset to be disposed of at the lower of its carrying value or its fair value less costs to sell. There were no impairment losses for long-lived assets recorded for the three and nine months ended September 30, 2026 and 2025.

Lease liabilities

The Company determines if an arrangement is a lease at inception. Operating leases are included in right-of-use assets ("ROU"), lease liabilities, and lease liabilities – related party. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. None of the leases entered into have an implicit rate, the Company uses its incremental borrowing rate based on the information available at lease commencement date in determining the present value of future payments. Incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The ROU assets also include any prepaid lease payments made and initial direct costs incurred and exclude lease incentives. The Company's lease terms may include options to extend or terminate the lease, which is recognized when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Revenue Recognition

The Company accounts for revenue under FASB ASC Topic 606, *Revenue for Contract with Customers* ("ASC 606"). Patient service revenue is recognized as performance obligations are satisfied, which occurs over time as patients simultaneously receive and consume services. Each treatment or visit generally represents a separate contract. Procedural services (e.g., ketamine infusions, esketamine administration, TMS sessions, SGB/epidural procedures) are recognized at the point in time when rendered; therapy and medication management services are recognized as sessions occur. The transaction price includes variable consideration such as contractual adjustments, expected denials, and implicit price concessions, which are estimated and constrained to amounts not expected to reverse. The Company applies the portfolio approach for contracts with similar characteristics by payer and service type. The Company elected the practical expedient not to assess a significant financing component because the period between service and payment is one year or less. The Company acts as principal in its patient service arrangements and records revenue on a gross basis.

Patient service revenue is primarily derived from services rendered to patients for outpatient behavioral health care, interventional psychiatry, and pain management procedures. The Company's services have no fixed duration and can generally be terminated by the patient or the Company at any time; therefore, each treatment or visit is considered its own stand-alone contract.

The Company disaggregates patient service revenue from contracts with customers by service type including procedural services and therapy services and by payor type including commercial insurance, Medicare, and self-pay. Management believes this presentation best reflects the nature, amount, timing, and uncertainty of the Company's patient service revenue and cash flows.

Cost of Patient Services

Cost of patient services includes direct costs associated with providing healthcare services, such as salaries and benefits for clinical personnel, medical supplies, pharmaceuticals, and other costs directly attributable to patient care. These costs are expensed as incurred.

Research and Development Costs

Research and development expense consists primarily of costs associated with the Company's clinical trials, salaries, payroll taxes, employee benefits, and stock-based compensation charges for those individuals involved in ongoing research and development efforts. Research and development costs are expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are recorded as prepaid assets and expensed when the activity has been performed or when the goods have been received.

Non-Cancellable Contracts

The Company may record certain obligations as liabilities related to non-cancellable contracts. If appropriate, the offsetting costs may be recorded as a deferred cost asset.

Stock-Based Compensation

The Company expenses stock-based compensation to employees and non-employees over the requisite service period based on the estimated grant-date fair value of the awards. The Company accounts for forfeitures as they occur. Stock-based awards with graded-vesting schedules are recognized on a straight-line basis over the requisite service period for each separately vesting portion of the award. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment. The Company estimates the fair value of restricted stock award grants using the closing trading price of the Company's common stock on the date of issuance. All stock-based compensation costs are recorded in selling, general and administrative or research and development expenses in the consolidated statements of operations based upon the underlying individual's role at the Company.

Warrants

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in FASB ASC Topic 480, *Distinguishing Liabilities from Equity* ("ASC 480") and FASB ASC Topic 815, *Derivatives and Hedging* ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be liability classified and recorded at their initial fair value on the date of issuance and remeasured at fair value and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The Company generally determines fair value of the common stock warrants using a Black-Scholes valuation methodology.

A change in any of the terms or conditions of warrants is accounted for as a modification. The accounting for incremental fair value of warrants is based on the specific facts and circumstances related to the modification which may result in a reduction of additional paid-in capital, recognition of costs for services rendered, or recognized as a deemed dividend.

Preferred Stock

In accordance with ASC 480, the Company's Series A preferred stock was classified as permanent equity as it was not mandatorily redeemable upon an event that is considered outside of the Company's control. Further, in accordance with ASC 815-40, *Derivatives and Hedging – Contracts in an Entity's Own Equity*, the Series A preferred stock did not meet any of the criteria that would preclude equity classification. The Company concluded that the Series A preferred stock was more akin to an equity-type instrument than a debt-type instrument, therefore the conversion features associated with the convertible preferred stock were deemed to be clearly and closely related to the host instrument and were not bifurcated as a derivative under ASC 815.

Segment Information

The Company's Chief Operating Decision Maker ("CODM") is its Chief Executive Officer, who reviews financial information presented for purposes of making operating decisions, assessing financial performance, and allocating resources. The Company operates through two reportable segments: (i) a pharmaceutical development segment focused on the research and development of novel therapeutics for the treatment of central nervous system disorders, including suicidal depression, chronic pain, PTSD, and schizophrenia, and (ii) a clinical services segment that generates patient service revenue through the Company's clinical operations. The CODM evaluates the operating results and financial performance of each segment separately for purposes of resource allocation and performance assessment. See Note 14 for further information.

Equity Method Investments

Investments in entities over which the Company has the ability to exercise significant influence, but does not control, are accounted for under the equity method of accounting in accordance with ASC Topic 323, *Investments — Equity Method and Joint Ventures* ("ASC 323"). Under the equity method, investments are initially recorded at cost and subsequently adjusted to reflect the Company's proportionate share of the investee's net income or loss, which is recorded in equity method income (loss) in the statements of operations. Distributions received from investees reduce the carrying amount of the investment. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying value of the investment may not be recoverable.

Government Grants

The Company accounts for government grants in accordance with FASB ASC Topic 832, *Government Grants*. A government grant is a transfer of a monetary or tangible nonmonetary asset from a government to the Company that is not an exchange transaction. The Company recognizes a government grant when it is probable that the Company will comply with the conditions attached to the grant and that the grant will be received.

Grants related to income are recognized in earnings on a systematic and rational basis over the periods in which the Company recognizes as expense the qualifying costs the grant is intended to compensate. Grant income recognized in excess of amounts billed is recorded as a grant receivable. Amounts received before the related costs are incurred are recorded as deferred grant income. Grants related to income are presented as grant income within other income (expense), net, and the related research and development costs are presented gross.

Income Taxes

Income taxes are recorded in accordance with FASB ASC Topic 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to be recovered or settled. Valuation allowances are provided, if based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. The Company recognizes any interest and penalties accrued related to unrecognized tax benefits as income tax expense.

Loss Per Share

The Company applies the two-class method when computing net income or loss per share attributable to common stockholders. In determining net income or loss attributable to common stockholders, the two-class method requires income or loss allocable to participating securities for the period to be allocated between common and participating securities based on their respective rights to share in the earnings as if all of the income or loss allocable for the period had been distributed. In periods of net loss, there is no allocation required under the two-class method as the participating securities do not have an obligation to fund the losses of the Company.

Basic loss per share of common stock is computed by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted loss per share reflects the potential dilution that could occur if stock options, restricted stock awards and warrants were to vest and be exercised. Diluted earnings per share excludes, when applicable, the potential impact of stock options, common stock warrant shares, convertible notes, and other dilutive instruments because their effect would be anti-dilutive in the periods in which the Company incurs a net loss.

The following outstanding shares of common stock equivalents were excluded from the computation of the diluted net loss per share attributable to common stock for the periods in which a net loss is presented because their effect would have been anti-dilutive.

	September 30,	
	2026	**2025**
Stock options	698,838	119,281
common stock warrants	8,986,823	9,447,966
Unvested Restricted Stock awards	406,248	—
common stock issuable upon conversion of Anson Notes	—	2,127,880
Totals	10,091,909	11,695,127

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and are adopted by the Company as of the specified effective date.

In December 2025, the Financial Accounting Standards Board issued Accounting Standards Update ("ASU") No. 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*. ASU 2025-10 establishes guidance on the recognition, measurement, and presentation of government grants received by business entities. Under ASU 2025-10, a government grant is not recognized until it is probable that the entity will comply with the conditions attached to the grant and that the grant will be received. ASU 2025-10 is effective for public business entities for annual periods beginning after December 15, 2028, and interim periods within those annual periods, with early adoption permitted. The Company early adopted ASU 2025-10 during the three months ended September 30, 2026, effective as of January 1, 2026, using the modified prospective transition method. The Company had no government grants prior to entering into the DARPA Agreement described in Note 19, so adoption had no impact on the Company's condensed consolidated financial statements for prior periods or on opening accumulated deficit.

In November 2024, the FASB issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03") and in January 2025, the FASB issued ASU No. 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date*, which clarified the effective date of ASU 2024-03. ASU 2024-03 will require the Company to disclose the amounts of purchases of inventory, employee compensation, depreciation, and intangible asset amortization, as applicable, included in certain expense captions in the Consolidated Statements of Operations, as well as qualitatively describe remaining amounts included in those captions. ASU 2024-03 will also require the Company to disclose both the amount and the Company's definition of selling expenses. The Company is currently evaluating the impact of adopting of ASU 2024-03.

Note 3. Revenue and accounts receivable

Revenue for the three and nine months ended September 30, 2026 is derived from services rendered to patients for outpatient behavioral health care, interventional psychiatry, and pain management procedures. The Company's services have no fixed duration and can generally be terminated by the patient or the Company at any time; therefore, each treatment or visit is considered its own stand-alone contract.

The Company disaggregates revenue from contracts with customers by service type and by payor, as management believes this best depicts the nature, amount, timing, and uncertainty of revenue and cash flows.

Revenue by Service Type (in thousands):

	For the three months ended September 30, 2026	September 30, 2025
Procedures income	$ 386	$ 90
Therapy services	773	152
Total net patient service revenue	$ 1,159	$ 242

	For the nine months ended September 30, 2026	September 30, 2025
Procedures income	$ 923	$ 90
Therapy services	2,405	152
Total net patient service revenue	$ 3,328	$ 242

Revenue by payor (in thousands):

	For the three months ended September 30, 2026	September 30, 2025
Commercial Insurance	$ 776	$ 156
Medicare	144	9
Self-Pay	239	77
Total net patient service revenue	$ 1,159	$ 242

	For the nine months ended September 30, 2026	September 30, 2025
Commercial Insurance	$ 2,284	$ 156
Medicare	443	9
Self-Pay	601	77
Total net patient service revenue	$ 3,328	$ 242

The Company receives payments from the following sources: (i) commercial insurers; (ii) the federal government under the Medicare program administered by the Centers for Medicare and Medicaid Services (CMS) and other programs; (iii) state governments under Medicaid and related programs; and (iv) individual patients and clients.

The Company determines the transaction price based on established billing rates reduced by contractual adjustments, discounts, and implicit price concessions, which represent amounts the Company does not expect to collect based on historical experience and other relevant factors. Contractual adjustments and discounts are based on contractual agreements with commercial insurance and Medicare, discount policies, and historical experience. Implicit price concessions are based on historical collection experience. Most of the Company's services have contracts containing variable considerations, such as contractual adjustments, discounts, and implicit price concessions, which are estimated and reflected as reductions to revenue in the period the services are provided. However, it is unlikely a significant reversal of revenue will occur when the uncertainty is resolved, and therefore, the Company includes the variable consideration in the estimated transaction price. Subsequent changes resulting from a patient's ability to pay are recorded as credit loss expense, which is included in other operating expenses.

The Company derives a significant portion of its revenue from Medicare, and other payors that receive discounts from established billing rates. The Medicare regulations and various managed care contracts under which these discounts must be estimated are complex, subject to interpretation and adjustment, and may include multiple reimbursement mechanisms for different types of services provided. Management estimates the transaction price on a payor specific basis given its interpretation of the applicable regulations or contract terms. The services authorized and provided and related reimbursement are often subject to interpretation that could result in payments that differ from the Company's estimates.

Accounts Receivable and allowance for credit loss

Accounts Receivable (in thousands):

	September 30, 2026	December 31, 2025
Accounts receivable, gross	$ 436	$ 314
Less: allowance for credit losses	(218)	(153)
Accounts receivable, net	$ 218	$ 161

Allowance for credit losses roll-forward (in thousands):

Beginning balance as of December 31, 2025	$ 153
Provision (recovery) for expected credit losses	65
Write-offs, net of recoveries	—
Ending Balance as of September 30, 2026	$ 218

Accounts Receivable by payor (in thousands):

	September 30, 2026	December 31, 2025
Commercial insurance	$ 202	$ 147
Medicare	36	24
Self-pay	197	143
Accounts receivable, gross	$ 436	$ 314

Estimation inputs and credit quality information (summary):

- Receivables are pooled by payer class and aging; loss rates reflect historical experience updated for current conditions and reasonable and supportable forecasts with reversion to long-run averages beyond the forecast horizon. The Company does not suspend recognition of revenue on a "nonaccrual" basis for trade receivables.

Note 4. Prepaid expense and other current assets

Prepaid expense and other current assets consisted of the following at the dates indicated (in thousands):

	September 30, 2026	December 31, 2025
Prepaid expense and other current assets:		
Prepaid insurance	$ 464	$ 304
Prepaid clinical development costs	1,220	344
Other prepaid expense	485	286
Total prepaid expense and other current assets	$ 2,169	$ 934

Note 5. Property and equipment, net

As of September 30, 2026 and December 31, 2025, property and equipment, net, consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Medical equipment	$ 103	$ 57
Computer equipment	42	32
Aircraft	712	—
Furniture and fixtures	60	4
Leasehold improvement	71	—
Total property and equipment	988	93
Less: accumulated depreciation	(87)	(30)
Property and equipment, net	$ 901	$ 63

Depreciation expense was less than $0.1 million for the three and nine months ended September 30, 2026 and 2025.

Note 6. Leases

The Company has operating leases for three healthcare clinics in Naples, Fort Myers, and West Palm Beach, Florida and operating leases for certain medical equipment:

- Naples Lease (Related Party): The Company leases its Naples clinic from Dura Properties, LLC, an entity owned and controlled by Dura's former sole member prior to the acquisition. Following the acquisition on September 8, 2025, the former member became a minority member in HTX Management Company LLC, which interests are convertible into a minority position of Hope Therapeutics, Inc. at the sole discretion of the holder. Right-of-use ("ROU") assets and operating lease liabilities was measured under ASC 805 as if the leases were new at the acquisition date. The amended lease commenced on September 8, 2025 and expires on December 31, 2027. It is non-cancelable and requires monthly base rent of $6,000 (subject to 3% annual escalations), plus $2,000 in common area maintenance charges, and $1 thousand in taxes.

- Fort Myers Lease (Third Party): The Company amended a lease for its Fort Myers clinic on September 8, 2025, with a commencement date of September 8, 2025, and an expiration date of November 30, 2029. ROU assets and operating lease liabilities were measured under ASC 805 as if the leases were new at the acquisition date. The amended lease is non-cancellable and requires monthly base rent of $5,000 in the first year, plus $2,000 in common area maintenance charges, subject to 3% annual escalations

- West Palm Beach Lease (Third Party): On November 14, 2025, the Company entered into a sublease agreement with Third Party of office space located at West Palm Beach, Florida. The sublease commenced on December 1, 2025 and expires on April 5, 2028. The sublease provides for fixed annual rent of approximately $151,000 in the first lease year, subject to contractual escalations, and includes a five-month rent abatement at commencement. The Company is also responsible for its proportionate share of operating expenses and other additional rent in accordance with the sublease terms.

- Medical Equipment Leases (Third Party): On January 7, 2026, the Company entered into three commercial rental agreements with Third Party for certain medical equipment and related accessories. The agreement commenced on January 7, 2026 and has a base rental term of 48 months. The agreements provide for fixed monthly rental payments at an aggregate of $10,000.

The components of lease expense included in the Company's statement of operations were as follows (in thousands):

	Expense Classification	For the three months ended September 30, 2026	For the nine months ended September 30, 2026
Operating lease expense:			
Amortization of ROU asset	Selling, general and administrative	$ 73	$ 219
Accretion of operating lease liability	Selling, general and administrative	26	66
Amortization of ROU asset - related party	Selling, general and administrative	26	76
Accretion of operating lease liability - related party	Selling, general and administrative	2	5
Total operating lease expense		$ 127	$ 366

Other information related to leases is as follows:

	As of September 30, 2026	As of December 31, 2025
Weighted-average remaining lease term:		
Operating leases (in years)	2.35	2.03
Weighted-average discount rate:		
Operating leases	7.80%	7.62%

The future minimum lease payments required under leases as of September 30, 2026 were as follows (in thousands):

Fiscal Year		
Remainder of 2026	$	120
2027		487
2028		281
2029		210
Total		1,098
Less: imputed interest		(120)
Lease liability	$	978

Note 7. Accrued and other current liabilities

Accrued and other current liabilities consisted of the following at the dates indicated (in thousands):

	September 30, 2026	December 31, 2025
Accrued and other current liabilities:		
Refund liability (see Note 8)	$ 5,900	$ 5,509
Professional services	4,523	4,462
Employee costs	316	496
Accrued research and development expense	524	311
Accrued Dura acquisition cost due post-closing	432	557
Other accrued expense	73	2
Total accrued and other current liabilities	$ 11,768	$ 11,337

Note 8. Alvogen licensing agreement

In June 2023, the Company entered into a License Agreement with Alvogen. On June 21, 2024, the Company received a notice of termination from Alvogen effective immediately. Following the termination of the License Agreement by Alvogen, the amounts advanced pursuant to the amendment became due and payable to Alvogen. Accordingly, the refund liability has not been reclassified to deferred revenue or recorded as revenue as of September 30, 2026 and will remain permanent as refund liability until settled.

Upon termination of the License Agreement, the intellectual property rights licensed to Alvogen under the License Agreement reverted to the Company, and all other rights and obligations of each of the parties immediately ceased, except for outstanding amounts owed as of the time of such expiration or termination. In accordance with the License Agreement, any unpaid amounts accrue interest from the due date at a rate equal to one-month Term SOFR plus 6.0% per annum (10.8% as of September 30, 2026 and December 31, 2025). Interest expense related to the accrued interest on the refund liability is recognized as incurred and is included in interest expense in the consolidated statements of operations. As of September 30, 2026, the refund liability due to Alvogen was $6.0 million, which represents a total of $4.8 million of all payments made by Alvogen through September 30, 2026 along with $1.2 million of accrued interests, and is included as a component of accrued expense and other current liabilities on the unaudited condensed consolidated balance sheet (See Note 7). As of December 31, 2025, the refund liability due to Alvogen was $5.5 million, which represents a total of $4.8 million of all payments made by Alvogen through December 31, 2025 along with the $0.7 million of accrued interest.

Note 9. Debt

Anson Convertible Promissory Notes (the "Anson Notes")

On August 12, 2024, the Company entered into the Anson Purchase Agreement with the Anson Investment Master Fund LP and Anson East Master Fund LP (collectively "Anson"). The Company agreed to sell, in three equal tranches, original issue discount Anson Notes in the aggregate principal amount of up to approximately $16.3 million for an aggregate purchase price of up to approximately $15.0 million and warrants to purchase that amount of shares equal to 50% of the principal amount of the Anson Notes divided by the VWAP of the common stock, as listed on the Nasdaq Capital Market, on the day prior to the closing of each respective tranche under the Anson Warrants (as defined below), with a 7% cash fee paid to the placement agent.

On August 14, 2024, the Company entered into the first tranche Senior Secured Convertible Note Agreements (the "First Tranche Notes") with Anson at various amounts for an aggregate of $5.435 million subject to an original issuance discount of 8% or $435,000, less other cash issuance costs of $521,000, resulting in net cash proceeds of $4.5 million, prior to any allocation to the Anson Warrants. The First Tranche Notes bore interest at a rate of 6% per annum, maturing on November 14, 2025, and were convertible at the option of the holder at any time after issuance into common stock, at a per share conversion price equal to the lower of (a) $2.4168 or (b) a price equal to 92% of the lowest VWAP during the seven trading day period immediately preceding the effective conversion date. Certain additional pricing and purchase protections and covenants triggering repayment were also afforded to the holders, and the First Tranche Notes carried certain mandatory redemption features. In conjunction with the issuance of the First Tranche Notes, the Company also issued warrants to purchase up to 1,349,305 shares of common stock.

Pursuant to the Anson Purchase Agreement, on October 10, 2024 (the "Second Closing Date"), the Company sold a total of $5.4 million in Notes (the "Second Tranche Notes"), subject to an original issue discount of 8% or $435,000 less other cash issuance cost of $375,000, with an aggregate purchase price of approximately $5.0 million, and warrants to purchase up to 1,846,128 shares of common stock. The Second Tranche Notes were convertible into common stock, at a per share conversion price equal to by the lower of (a) $1.7664 or (b) a price equal to 92% of the lowest VWAP during the seven-trading day period immediately preceding the effective date set forth in a Notice of Conversion delivered by an Investor to the Company. The Conversion Price was subject to, among other customary provisions, downward adjustment in the event of any future issuance by the Company of common stock below the then effective Conversion Price. In connection with the Second Tranche Notes, the Company paid a cash fee of 7% of the gross proceeds the Company received in the Second Closing to a placement agent and incurred certain additional other issuance costs and reimbursement for legal counsel disbursements and placement agent, for aggregate issuance costs of approximately $0.4 million.

Pursuant to the Anson Purchase Agreement, on January 28, 2025 (the "Third Closing Date"), the Company sold a total of $5.435 million in Notes subject to an original issue discount of 8% or $0.435 million less other issuance costs of $0.4 million noted below (the "Third Tranche Notes" and collectively with the First Tranche Notes and Second Tranche Notes, the ("Anson Notes")), with an aggregate purchase price of approximately $5.0 million, and Warrants to purchase up to 862,699 shares of common stock. The Third Tranche Notes were convertible into common stock, at a per share conversion price equal to by the lower of (a) $3.78 or (b) a price equal to 92% of the lowest VWAP during the seven-trading day period immediately preceding the effective date set forth in a Notice of Conversion delivered by an Investor to the Company. The Conversion Price is subject to, among other customary provisions, downward adjustment in the event of any future issuance by the Company of common stock below the then effective Conversion Price. In connection with the Third Tranche Notes, the Company paid a cash tail fee to the Placement Agent equal to 7% of the gross proceeds the Company received in the Third Closing and incurred certain additional other issuance costs and reimbursement for legal counsel disbursements, for aggregate issuance costs of approximately $0.4 million.

During the year ended December 31, 2024, Anson converted $4.2 million of principal and interest of the First Tranche Note into common stock, resulting in the issuances of 3,676,796 shares of common stock and loss on conversion of $1.3 million.

During the three months ended March 31, 2025, Anson converted $1.3 million of principal and interest of the First Tranche Note into common stock, resulting in the issuances of 1,004,055 shares of common stock and loss on redemption of $1.6 million. Anson converted less than $0.1 million of principal and interest of the Third Tranche Note into common stock, resulting in the issuance of 5,463 shares of common stock and loss on redemption of less than $0.1 million.

During the remainder of the year ended December 31, 2025, Anson converted the remaining $1.3 million of principal and interest of the First Tranche Notes, and all of the principal and interest on the Second and Third Tranche Notes ($5.8 million and $5.5 million, respectively) into common stock, resulting in the aggregate issuances of 7.3 million shares of common stock valued at $18.9 million and loss on conversion of $6.2 million.

No Anson Notes remained outstanding as of September 30, 2026 and December 31, 2025.

Due to the embedded features within the Anson Notes, the Company elected to account for the First, Second, and Third Tranche Notes at fair value at inception. Subsequent changes in fair value were recorded as a component of other income (loss) in the consolidated statements of operations. During the three and nine months ended September 30, 2025, the Company recorded a loss from the change in fair value of the Second and Third Tranche Notes of $0.8 million and $2.7 million, which was recognized in other expense (income) on the condensed consolidated statements of operations as a result of the Company's election of the fair value option.

On or about January 27, 2025, the Company and Anson entered into a Consent and Waiver Agreement (the "CWA"), relating to certain rights and prohibitions arising under the Anson Purchase Agreement and the Notes. In the CWA, Anson provided its consent under certain restrictive provisions, and waived certain rights, including, among other things, a right to participate in certain Qualified Financings (as defined in the CWA) made by us under the Anson Purchase Agreement and the Notes, the prohibition on issuance of certain equity securities, and waiver of any potential liquidated damages arising under that certain Registration Rights Agreement by and between the Company and Anson dated August 14, 2024, until March 31, 2025. On March 20, 2025, following the conversion of less than $0.1 million of the Third Tranche Note into 5,463 shares of common stock, the Company issued 303,819 shares of common stock as Consideration Shares with a fair value of $0.6 million and 303,819 of Consideration Warrants with a fair value of $0.6 million to Anson in accordance with the terms of the CWA (see Note 11).

In connection with the Second RD Purchase Agreement (see Note 11), and pursuant to the full ratchet anti-dilution provisions contained in the Anson financing agreements, the exercise price of all outstanding common stock purchase warrants issued on August 14, 2024, October 10, 2024, January 28, 2025, and January 29, 2025 (collectively, the "Anson Warrants") were each adjusted to $1.65 per share, which was reflected in the change in fair value of convertible notes payable recorded in the consolidated statement of operations. In addition, the number of shares underlying the Anson Warrants was increased by an aggregate of 1,870,960 shares of Company's common stock (see below under "Warrants").

The holders of Anson Notes and Anson Warrants, in accordance with an agreement entered into with Anson on September 30, 2025, agreed to, among other things, i) certain trading volume limitations, and ii) a partial exercise on previously issued Anson Warrants for cash. Specifically, if the closing stock price of the Company's common stock as reported on the Principal Market (as defined in the August 2024 Purchase Agreement) is below $3.25 on any trading day, Anson may not sell, dispose of, or otherwise transfer, in the aggregate, more than 12.5% of the composite daily trading volume of the Company's common stock on that trading day. In accordance with the agreement, the holders exercised their Anson Warrants for cash, generating net proceeds of $3.09 million and resulting in the issuance of 1,870,960 shares of Company's common stock on September 30, 2025 (see "Warrants" below).

The following table presents the Anson Notes as of December 31, 2025 (in thousands):

	December 31, 2025
Par value of the Anson Notes	$ 16,305
Initial original issue discount	(1,305)
Conversions and repayments of principal and interest (shares)	(16,909)
Carrying value of the Anson Notes before current period change in fair value	(1,909)
Fair value allocated to common stock liability classified warrants	(6,442)
Fair value adjustment through earnings	8,351
Total carrying value of Anson Notes	$ —
Convertible note payable - current portion	$ —
Convertible note payable, net of current portion	$ —

Note 10. Commitments and contingencies

Sarah Herzog Memorial Hospital License Agreement

The Company is required to make certain payments related to the development of NRX-101 (the "Licensed Product") in order to maintain the license agreement (the "SHMH License Agreement") with the Sarah Herzog Memorial Hospital Ezrat Nashim ("Licensor").

In April 2025, the Company and the Licensor entered into an Amendment to the SHMH License Agreement (the "Amendment"), which resolved a dispute between the parties and modified certain payment and reporting terms of the License Agreement. The Amendment also modified certain milestone obligations related to NRX-101. In full satisfaction of the milestone payments associated with the completion of Phase II and Phase III clinical trials for NRX-101, the Company is required to pay the Licensor a single milestone payment of $187,500 upon the first approval of NRX-101 by the U.S. Food and Drug Administration, including accelerated approval. All remaining milestone provisions under the License Agreement remain unchanged.

Milestone Payments

End of Phase I Clinical Trials of Licensed Product (completed)	$	100,000
End of Phase II Clinical Trials of Licensed Product (completed)	$	250,000
End of Phase III Clinical Trials of Licensed Product	$	187,500
First Commercial Sale of Licensed Product in U.S.	$	500,000
First Commercial Sale of Licensed Product in Europe	$	500,000
Annual Revenues Reach $100,000,000	$	750,000

The milestone payments due above may be reduced by 25% in certain circumstances, and by the application of certain sub-license fees. As of September 30, 2026, the total cumulative payments made under the SHMH License Agreement were $0.5 million, with no payments made during the three and nine months ended September 30, 2026. The Company made $0 and $0.2 million in payments during the three and nine months ended September 30, 2025.

Royalties

A royalty in an amount equal to: (a) 1% of revenues from the sale of any product incorporating a Licensed Product when at least one Licensed Patent remains in force, if such product is not covered by a Valid Claim (as defined below) in the country or region in which the sale occurs, or (b) 2.5% of revenues from the sale of any Licensed Product that is covered by at least one Valid Claim in the country or region in which such product is manufactured or sold. A "Valid Claim" means any issued claim in the Licensed Patents that remains in force and that has not been finally invalidated or held to be unenforceable. The royalty rates above may be doubled if we commence a legal challenge to the validity, enforceability, or scope of any of the Licensed Patents during the term of the SHMH License Agreement and do not prevail in such proceeding.

Royalties shall also apply to any revenues generated by sub-licensees from sale of Licensed Products subject to a cap of 8.5% of the payments received by us from sub-licensees in connection with such sales. During the three and nine months ended September 30, 2026 and 2025, no royalty payments were due.

Annual Maintenance Fee

A fixed amount of $100,000 was paid on April 16, 2021 and, thereafter, a fixed amount of $150,000 was due on the anniversary of such date during the term of the SHMH License Agreement. The Company paid $150,000 in annual maintenance fees in the year ended December 31, 2024 expensed through Research and Development expenses in the accompanying Consolidated Statement of Operations. Under the Amendment, during the year ended December 31, 2025, the Company made a payment to the Licensor $150,000 in cash in full satisfaction of the annual license maintenance fee that became due on April 16, 2024.

Beginning with the sixth anniversary of the effective date of the License Agreement (or April 16, 2025), future annual license maintenance fees of $150,000 are payable in the form of the Company's common stock rather than cash. The number of shares to be issued each year is determined based on the volume-weighted average closing price of the Company's common stock for the 30 consecutive trading days immediately preceding April 16 of the applicable year, subject to adjustment for stock splits and similar events. On May 15, 2025, the Company granted 75,000 shares of fully vested common stock to a Licensor in accordance with an Amendment. The fair value of the shares granted was determined based on the quoted trading price of the Company's common stock on the grant date of $2.08 per share, resulting in aggregate expense of approximately $0.2 million, which was recorded within the accompanying consolidated statement of operations for the three and nine months ended September 30, 2025.

On May 31, 2026, the Company issued 68,161 fully vested shares of common stock to a licensor pursuant to an amendment to the licensing agreement. The shares were valued using the quoted market price of the Company's common stock on the grant date of $4.42 per share, resulting in aggregate expense of approximately $0.3 million, which was recognized in the accompanying consolidated statements of operations for the three and nine months ended September 30, 2026.

Exclusive License Agreement

In 2023, the Company entered into a license agreement with Apkarian Technologies LLC to in-license U.S. patent 8,653,120 that claims the use of DCS for the treatment of chronic pain in exchange for a commitment to pay milestones and royalties as development milestones are reached in the field of chronic pain. The patent is supported by extensive nonclinical data and early clinical data that suggest the potential for NMDA antagonist drugs, such as NRX-101 to decrease both chronic pain and neuropathic pain while potentially decreasing craving for opioids. For the three and nine months ended September 30, 2026 and 2025, the Company has recorded no expenses relating to the licensure of the patent.

Kadima Purchase Agreement

On May 9, 2025, HOPE and its majority-owned subsidiary, HTX, entered into an Asset Purchase and Contribution Agreement (the "Kadima Purchase Agreement"), with Kadima Medical, Kadima Holdings, Inc. ("Kadima Holdings"), and David Feifel, M.D., PH.D ("Feifel", and collectively with Kadima Medical and Kadima Holdings, "Kadima"), pursuant to which the Company agreed to purchase and Kadima agreed to sell, certain assets of Kadima, subject to the satisfaction of certain closing conditions (the "Acquisition").

The Kadima Purchase Agreement contains representations, warranties and covenants of the Company and Kadima that are customary for a transaction of this nature, including among others, covenants by Kadima regarding the validity of certain material contracts entered into between Kadima and third-parties being assigned to the Subsidiaries, title to the assets being sold by Kadima, the condition and sufficiency of the assets being purchased, and Kadima's rights to its intellectual property, tax liabilities, and the investment representations of Kadima.

The Kadima Purchase Agreement also contains customary indemnification provisions whereby Kadima will indemnify the Company for certain losses arising out of inaccuracies in, or breaches of, the representations, warranties and covenants of Kadima, pre-closing taxes of Kadima, and certain other matters, subject to certain caps and thresholds.

As of the date of this Report, the Acquisition has not been consummated.

On May 15, 2026, Kadima Neuropsychiatry Institute, Medical Corp. and David Feifel, M.D., Ph.D. filed a complaint against the Company, HTX and HOPE in the Superior Court of California, County of San Diego, seeking specific performance compelling the defendants to consummate the transactions contemplated by the Kadima Purchase Agreement and alleging breach of contract and misrepresentation in connection with the Kadima Purchase Agreement. On July 29, 2026, the Company removed the action to the U.S. District Court for the Southern District of California (Case No. 3:26-cv-04359-WQH-JAC) alleging that Kadima failed to meet critical conditions of closing. The complaint is under seal. Based on the information currently available, the Company does not believe that the ultimate resolution of these proceedings will have a material adverse effect on its financial condition or results of operations.

Operating Lease

The Company leases office space on a month-to-month basis. The rent expense for the three months ended September 30, 2026 and 2025 was $0.2 million and less than $0.1 million, respectively. The rent expense for the nine months ended September 30, 2026 and 2025 was $0.4 million and less than $0.1 million, respectively.

The Company also leases three healthcare clinical facilities and office space located in Naples, West Palm Beach and Fort Myers, Florida and certain medical equipment under non-cancelable operating lease agreements. Details regarding lease terms, future minimum lease payments, and right-of-use assets and liabilities are disclosed in Note 6.

Legal Proceedings

The Company is, from time to time, involved in various legal proceedings incidental to the conduct of our business. Historically, the outcome of nearly all such legal proceedings has not, in the aggregate, had a material adverse effect on our business, financial condition, results of operations or liquidity. Other than the Kadima matters described above, there are no material pending or threatened legal proceedings at this time.

Note 11. Equity

Preferred Stock

Pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation, the Company has 50,000,000 shares of preferred stock authorized with a par value of $0.001, of which 12,000,000 were designated Series A Convertible Preferred Stock ("Series A Preferred Stock"). In August 2023, the Company sold and issued 3.0 million shares of Series A Preferred Stock for an aggregate cash purchase price of $1.2 million. During March 2024, holders of the Company's Series A Preferred Stock elected to convert 3.0 million shares of Series A Preferred into 300,000 shares of common stock. As of September 30, 2026 and December 31, 2025, no shares of Series A Preferred Stock remained issued or outstanding.

Common stock

Pursuant to the terms of the Company's Second Amended and Restated Certificate of Incorporation, the Company has authorized 500,000,000 shares of common stock.

ATM Purchase Agreements

From February 20, 2024 to July 29, 2024, the Company announced that it entered into multiple at-the-market purchase agreements (the "ATM Purchase Agreements") subject to standard closing conditions where accredited investors purchased 385,515 shares of unregistered common stock at a range of $2.42 - $7.10 per share. On April 15, 2024, the Company increased the maximum aggregate offering amount of the shares of common stock issuable under that certain at-the-market offering agreement, dated August 14, 2023 ("the Offering Agreement"), with H.C. Wainwright & Co., and filed a prospectus supplement under the Offering Agreement for an aggregate of $4.9 million. The Company suspended the at-the-market offering from August 14, 2024 through April 17, 2025. On April 17, 2025, the Company reinstated the at-the-market offering and increased the maximum aggregate offering amount and filed a prospectus supplement under the Offering Agreement for an aggregate of $20,000,000.

During the three and nine months ended September 30, 2025, the aggregate net cash proceeds to the Company from the ATM Purchase Agreements were approximately $3.7 million and $4.8 million, respectively. During the three and nine months ended September 30, 2026, the aggregate net cash proceeds to the Company from the ATM Purchase Agreements were $0 and $11.8 million, respectively.

2026 Underwritten Public Offering

On June 4, 2026, the Company completed an underwritten public offering of 6,378,942 shares of its common stock at a public offering price of $3.50 per share, which included the exercise of the underwriters' over-allotment option. The Company received net proceeds of approximately $20.7 million after deducting underwriting discounts, commissions, and other offering expenses. The net proceeds are intended to be used for general corporate purposes, including working capital and funding the Company's operations.

2026 common stock Issued for Services

On May 31, 2026, the Company issued an aggregate of 218,161 shares of common stock to third parties in connection with services performed for the Company. The aggregate fair value of the shares on the issuance date was approximately $1.0 million. On August 5 and September 4, 2026, the Company issued an aggregate of 50,000 shares of common stock to third parties in connection with services performed for the Company. The aggregate fair value of these shares on the respective issuance dates was approximately $0.2 million.

2025 Securities Purchase Agreement

On January 27, 2025, the Company entered into a securities purchase agreement (the "First RD Purchase Agreement") with Anson for the sale by the Company of 1,215,278 shares (the "First RD Shares") of common stock, at a purchase price of $2.88 per share, in a registered direct offering (the "First Registered Direct Offering"). Concurrently, the Company also sold unregistered common stock purchase warrants (the "First RD Warrants") to Anson to purchase up to an aggregate of 1,215,278 shares of common stock, in a private placement. Subject to certain beneficial ownership limitations, the First RD Warrants were immediately exercisable upon issuance at an exercise price equal to $2.88 per share of common stock, subject to adjustments as provided under the terms of the First RD Warrants. The closing of the sales of these securities under the First RD Purchase Agreement occurred on or about January 29, 2025, resulting in net proceeds to the Company of approximately $3.3 million after transaction costs. A grant date fair value of $4.0 million of the warrants was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%). As the fair value of the liabilities exceeded the net proceeds received of $3.3 million, the Company recognized the excess as a loss upon issuance of First RD Shares of $0.7 million which is included in other expense (income) in the consolidated statement of operations for the nine months ended September 30, 2025.

On March 20, 2025, following the conversion of less than $0.1 million of the Third Tranche Note into 5,463 shares of common stock, the Company issued 303,819 shares of common stock Consideration Shares and 303,819 of warrants ("Consideration Warrants") to Anson in accordance with the terms of the CWA. As a result of this adjustment, the exercise price of the RD Warrants was updated to $2.30 as of March 20, 2025. The Consideration Shares, being equity-classified, were recognized at fair value with credit to common stock and additional paid in capital. The Consideration Warrants, liability-classified under ASC 815-40, were initially recognized at fair value, with changes in fair value subsequently recognized through earnings. In accordance with the CWA, the Company recorded loss on issuance of the Consideration shares and the Consideration Warrants in total of $1.28 million recognized within other expense during the nine months ended September 30, 2025, within accompanying consolidated statements of operations and loss.

As previously mentioned, during the year ended December 31, 2025, Anson converted the remaining $1.3 million of principal and interest of the First Tranche Notes, and all of the principal and interest on the Second and Third Tranche Notes ($5.8 million and $5.5 million, respectively) into common stock, resulting in the aggregate issuances of 7.3 million shares of common stock valued at $18.9 million and loss on conversion of $6.2 million. No Anson Notes remained outstanding as of December 31, 2025. (See Note 9).

Warrants

Substitute Warrants – Liability

On May 24, 2021, the Company completed the merger ("Merger") under the Agreement and Plan of Merger dated December 13, 2020, as amended, among the Company (formerly Big Rock Partners Acquisition Corp.), NeuroRx, Inc., and Big Rock Merger Corp., a wholly owned subsidiary of our company. In the transaction, Big Rock Merger Corp. merged with and into NeuroRx, with NeuroRx continuing as the surviving entity. In connection with the Merger in 2021, each warrant to purchase shares of common stock of NRx that was outstanding and unexercised immediately prior to the effective time (whether vested or unvested) was assumed by Big Rock Partners Acquisition Corp. (BRPA) and converted into a warrant, based on the exchange ratio (of 0.316), that will continue to be governed by substantially the same terms and conditions, including vesting, as were applicable to the former warrant (the "Substitute Warrants"). There were 3,792,970 warrants outstanding and unexercised at the effective time. As these Substitute Warrants meet the definition of a derivative as contemplated in FASB ASC Topic 815, based on provisions in the warrant agreement related to the Earnout Shares Milestone and the Earnout Cash Milestone and the contingent right to receive additional shares for these provisions, the Substitute Warrants were recorded as derivative liabilities on the consolidated balance sheet and measured at fair value at inception (on the date of the Merger) and at each reporting date in accordance with FASB ASC Topic 820, with changes in fair value recognized in the statements of operations in the period of change. Refer to Note 13 for further discussion of fair value measurement of the warrant liabilities.

Assumed Public Warrants – Equity

Prior to the Merger, the Company had warrants outstanding (the "Public Warrants") to purchase up to 345,000 shares of common stock. Each Public Warrant entitles the holder to purchase one-tenth share of common stock at an exercise price of $115 per share. The Public Warrants became exercisable at the effective time of the Merger and expire five years after the effective time on or earlier upon their redemption or liquidation of the Company.

During the fiscal years ended December 31, 2025 and 2024 no Public Warrants were exercised. The outstanding balance of these public warrants remained in equity. On May 31, 2026, all outstanding Public Warrants expired unexercised. As a result, the associated equity balance remained within stockholders' equity, with no gain or loss recognized upon expiration.

Assumed Private Placement Warrants – Liabilities

Prior to the Merger, the Company had outstanding Private Placement Warrants (the "Private Placement Warrants") to purchase up to 13,625 shares of common stock. The Private Placement Warrants are not indexed to the Company's common shares in the manner contemplated by FASB ASC Topic 815-40-15 because the holder of the instrument is not an input into the pricing of a fixed-for-fixed option on equity shares. The Company classifies the Private Placement Warrants as derivative liabilities in its consolidated balance sheets as of September 30, 2026 and December 31, 2025. The Company measures the fair value of the Private Placement Warrants at the end of each reporting period and recognizes changes in the fair value from the prior period in the Company's statements of operations for the current period. On May 31, 2026, all outstanding Public Warrants expired unexercised. Accordingly, no gain or loss related to the change in fair value of the Public Warrants was recognized during the three months ended September 30, 2026.The Company recognized a gain on the change in fair value of the Private Placement Warrants for each of the nine months ended September 30, 2026 and 2025 of less than $0.01 million, respectively.

See Note 13 for discussion of the fair value measurement of the Company's warrant liabilities.

Warrants – Equity

As discussed above, on February 29, 2024, in conjunction with the sale of 270,000 shares of common stock, the Company issued warrants to purchase up to 270,000 shares of common stock. The allocated fair value of $0.5 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.59, exercise price of $3.80, term of 5 years, volatility of 178.10%, risk-free rate of 4.26%, and expected dividend rate of 0%).

On February 28, 2024, the Company issued to the underwriters 5-year warrants to purchase up to 25,000 shares of common stock. The allocated fair value of $0.1 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.05, exercise price of $3.30, term of 5 years, volatility of 178.10%, risk-free rate of 4.26%, and expected dividend rate of 0%). %). On June 4, 2026, warrants to purchase an aggregate of 12,500 shares of common stock were exercised on a cashless basis, resulting in the issuance of 2,742 shares of common stock.

On March 5, 2024, the Company issued underwriter's warrants to purchase up to 3,750 shares of common stock. A fair value of less than $0.1 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.05, exercise price of $3.30, term of 5 years, volatility of 178.10%, risk-free rate of 4.12%, and expected dividend rate of 0%). On June 4, 2026, warrants to purchase an aggregate of 1,875 shares of common stock were exercised on a cashless basis, resulting in the issuance of 594 shares of common stock.

On April 19, 2024, the Company issued to underwriter's 5-year warrants to purchase up to 30,350 shares of common stock. A fair value of less than $0.1 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.04, exercise price of $3.63, term of 5 years, volatility of 178.10%, risk-free rate of 4.66%, and expected dividend rate of 0%).

On May 23, 2024, the Company issued underwriter's warrants to purchase up to 4,553 shares of common stock. A fair value of less than $0.1 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $3.62, exercise price of $3.63, term of 5 years, volatility of 178.10%, risk-free rate of 4.52%, and expected dividend rate of 0%).

Alvogen Warrants – Equity

In conjunction with the amended Licensing Agreement with Alvogen discussed in Note 8, on February 7, 2024 the Company issued warrants to purchase up to 419,598 shares of common stock. A fair value of $1.3 million was recorded within additional paid-in capital and was determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $4.10, exercise price of $4.00, term of 3 years, volatility of 138.0%, risk-free rate of 4.2%, and expected dividend rate of 0.0%). Upon termination of the License Agreement on June 21, 2024, the offsetting amount recorded within additional paid-in capital as an unfunded stock subscription receivable was expensed to research and development.

Anson Warrants – Liability

The Anson Warrants, originally issued in the Anson Purchase Agreement, are recognized as derivative liabilities in accordance with ASC 815, as certain settlement features included in the Anson Warrants are not indexed to the Company's own stock, and therefore preclude equity classification. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period, and any change in fair value is recognized in the Company's consolidated statements of operations. The Anson Warrants are measured at fair value using a Black-Scholes model, and all warrant liabilities are classified as current liabilities on the Company's consolidated balance sheets.

On August 14, 2024, in conjunction with the issuance of the First Tranche Notes, the Company issued 5-year warrants to purchase up to 1,349,305 shares of the common stock with a grant date fair value of $2.1 million considering all relevant assumptions current at the date of issuance (i.e., share price of $1.86, exercise price of $2.42, term of five years, volatility of 122%, and risk-free rate of 3.67%, and expected dividend rate of 0%).

On October 10, 2024, in conjunction with the issuance of the Second Tranche Notes, the Company issued 5-year warrants to purchase up to 1,846,128 shares of common stock with a grant date fair value of $1.9 million considering all relevant assumptions current at the date of issuance (i.e., share price of $1.38, exercise price of $1.76, term of five years, volatility of 105%, and risk-free rate of 3.91%, and expected dividend rate of 0%).

On January 28, 2025, in conjunction with the issuance of the Third Tranche Notes, the Company issued warrants to purchase up to 862,699 shares of common stock with a grant date fair value of $2.5 million considering all relevant assumptions current at the date of issuance (i.e., share price of $3.55, exercise price of $3.78, term of five years, volatility of 113%, risk-free rate of 4.33%, and expected dividend rate of 0%).

In 2025, in connection with the Second RD Purchase Agreement, and pursuant to the full ratchet anti-dilution provisions contained in the Anson financing agreements, the exercise price of all Anson Warrants were each adjusted to $1.65 per share and the number of shares underlying the Anson Warrants was increased by an aggregate of 1,870,960 shares of common stock. The effect of the full ratchet trigger was $5.7 million and was reflected as part of the change in fair value of warrant liabilities on the statement of operations.

The holders of Anson Notes and Anson Warrants, in accordance with an agreement entered into with Anson on September 30, 2025, agreed to, among other things, i) certain trading volume limitations, and ii) a partial exercise of previously issued Anson Warrants for cash. Specifically, if the closing stock price of the Company's common stock as reported on the Principal Market (as defined in the August 2024 Purchase Agreement) is below $3.25 on any trading day, Anson may not sell, dispose of, or otherwise transfer, in the aggregate, more than 12.5% of the composite daily trading volume of the Company's common stock on that trading day. In accordance with the agreement, 1,870,960 shares of underlying Anson Warrants, which were issued with the original convertible notes, were exercised on September 30, 2025, for cash proceeds of $3.1 million. The fair value of the exercised Anson Warrants liabilities was determined to be $5.4 million as of the exercise date, resulting in a gain of $5.4 million recognized within other (income) expense, representing the difference between the fair value of the exercised Anson Warrants and the cash proceeds received.

RD Warrants – Liabilities

As discussed above, on January 29, 2025, in conjunction with the issuance of the First RD Shares, the Company issued the First RD Warrants to purchase up to 1,215,278 shares of common stock which were classified as a liability, with a grant date fair value of $4.0 million determined utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%). As the fair value of the liabilities exceeded the net proceeds received of $3.3 million, the Company recognized the excess of the fair value over the net proceeds received as a loss upon issuance of $0.7 million which is included in other expense (income) in the consolidated statement of operations for the nine months ended September 30, 2025.

Consideration Warrants – Liability

As discussed above, on March 20, 2025, in conjunction with the issuance of the Consideration Shares, the Company issued Consideration Warrants to purchase up to 303,819 shares of common stock which were classified as a liability. The grant date fair value was estimated to be $0.6 million utilizing a Black-Scholes model considering all relevant assumptions current at the date of issuance (i.e., share price of $2.07, exercise price of $2.88, term of five years, volatility of 115.8%, and risk-free rate of 4.00%).

As of September 30, 2026, the aggregate fair value of all liability classified warrants, which include Substitute Warrants, Assumed Private Placement Warrants, Anson Warrants, First RD Warrants and Consideration Warrants, was $12.3 million. The Company recognized a loss on the change in fair value of the liability classified warrants for the three and nine months ended September 30, 2026 of approximately $6.2 million and less than $0.1 million, respectively. Refer to Note 13 for discussion of the fair value measurement of the Company's warrant liabilities.

The following table provides the activity for all warrants for the respective periods.

	Total Warrants	Weighted Average Remaining Term	Weighted Average Exercise Price	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2024	7,173,766	3.77	$ 17.20	$ 80
Issued	4,252,758	5.00	1.78	—
Exercised	(1,870,962)	5.00	1.65	—
Expired	(195,852)	—	—	—
Outstanding as of December 31, 2025	9,359,710	3.17	$ 7.77	$ 492
Issued	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding as of March 31, 2026	9,359,710	2.93	$ 7.77	$ 195
Issued	—	—	—	—
Exercised	(14,375)	—	0.33	—
Expired	(358,512)	—	11.50	—
Outstanding as of June 30, 2026	8,986,823	3.04	3.50	$ 12,778
Issued	—	—	—	—
Exercised	—	—	—	—
Expired	—	—	—	—
Outstanding as of September 30, 2026	8,986,823	2.54	3.50	$ 6,090

Note 12. Stock-based compensation

2016 Omnibus Incentive Plan

Prior to the Merger, the Company maintained its 2016 Omnibus Incentive Plan (the "*2016 Plan*"), under which NeuroRx granted incentive stock options, restricted stock awards, other stock-based awards, or other cash-based awards to employees, directors, and non-employee consultants. The maximum aggregate shares of common stock that were subject to awards and issuable under the 2016 Plan was 347,200.

In connection with the Merger, each option of NeuroRx that was outstanding and unexercised immediately prior to the Effective Time (whether vested or unvested) was assumed by BRPA and converted into an option to acquire an adjusted number of shares of common stock at an adjusted exercise price per share, based on the Exchange Ratio (of 0.316:1).

Upon the closing of the Merger, the outstanding and unexercised NeuroRx stock options became options to purchase an aggregate 289,542 shares of common stock at an average exercise price of $51.00 per share.

2021 Omnibus Incentive Plan

The Company's 2021 Omnibus Incentive Plan (the "2021 Plan") permits the granting of incentive stock options, restricted stock awards, other stock-based awards or other cash-based awards to employees, directors, and non-employee consultants. On December 28, 2023, the first amendment to the 2021 Plan was executed which increased the maximum number of shares (i) available for issuance under the Plan by an additional 200,000, and (ii) that may be delivered pursuant to the exercise of Incentive Stock Options granted under the 2021 Plan to be equal to 100% of the Share Pool. As of December 31, 2025, 1,308,746 shares of common stock are authorized for issuance pursuant to awards under the 2021 Plan. As of January 1, 2026, 417,143 shares were added to the 2021 Plan under an evergreen feature that automatically increases the reserve with additional shares of common stock for future issuance under the Incentive Plan each calendar year, beginning January 1, 2022 and ending on and including January 1, 2031, equal to the lesser of (A) 1% of the shares of common stock outstanding on the final day of the immediately preceding calendar year or (B) a smaller number of shares determined by the Board. As of September 30, 2026, an aggregate 1,578,240 shares of common stock have been awarded net of forfeitures, and 147,649 shares of common stock remain available for issuance under the 2021 Plan.

Option Awards

The fair value of each employee and non-employee stock option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The Company is a public company and has limited company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the limited company-specific historical volatility and implied volatility. The expected term of the Company's stock options for employees has been determined utilizing the "simplified" method for awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future. Additionally, certain options granted contain terms that require all unvested options to immediately vest a) upon the approval of an NDA by the FDA for NRX-101, or b) immediately preceding a change in control of the Company, whichever occurs first.

On January 1, 2026, the Company issued 10,135 stock options. These shares have a vesting term of three and two years, an expiration date of ten years from the grant date and were valued at approximately less than $0.1 million as of the grant date.

On January 27, 2026, the Company issued 100,000 stock options. These shares have a vesting term of three years, an expiration date of ten years from the grant date and were valued at approximately less than $0.2 million as of the grant date.

On May 31, 2026, the Company issued 25,000 stock options. These shares have a vesting term of three years, an expiration date of ten years from the grant date and were valued at approximately $0.1 million as of the grant date.

The stock options granted during the three months ended September 30, 2026 were valued utilizing the Black-Scholes options pricing model with the following inputs: $3.54 of stock price, 3.93% risk-free rate, 144.47% volatility, 0% dividend rate, and the expected term of 6 years.

The stock options granted during the nine months ended September 30, 2026 were valued utilizing the Black-Scholes options pricing model with the following inputs: $3.54-4.42 of stock price, 3.93%-4.20% risk-free rate, 144.47%-147.40% volatility, 0% dividend rate, and the expected term of 6 years.

The following table summarizes the Company's employee and non-employee stock option activity under the 2021 Plan for the following periods:

	Number of shares	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Outstanding as of December 31, 2024	121,833	22.36	7.0	—
Options granted	591,865	1.93	10.0	
Forfeited/Expired	(126,343)	—	—	—
Outstanding as of December 31, 2025	587,355	$ 6.10	8.6	$ 365
Options granted	110,135	2.45	10.0	—
Forfeited/Expired	(10,000)	—	—	—
Outstanding as of March 31, 2026	687,490	$ 8.62	8.6	$ 147
Options granted	25,000	4.42	—	—
Forfeited/Expired	(38,652)	(9.49)	—	—
Outstanding as of June 30, 2026	673,838	5.34	8.12	$ 1,094
Options granted	25,000	3.54	—	—
Forfeited/Expired	—	—	—	—
Outstanding as of September 30, 2026	698,838	$ 5.27	8.30	$ 460
Options vested and exercisable as of September 30, 2026	334,755	$ 8.46	7.69	$ 187

Stock-based compensation expense related to stock options was $0.1 million and $0.1 million for the three months ended September 30, 2026 and 2025, respectively. Stock-based compensation expense related to stock options was $0.5 million and $0.1 million for the nine months ended September 30, 2026 and 2025, respectively.

At September 30, 2026, the total unrecognized compensation related to unvested employee and non-employee stock option awards granted was $0.6 million, which the Company expects to recognize over a weighted-average period of approximately 1.79 years.

Restricted Stock Awards

The following table presents the Company's Restricted Stock Activity:

	Awards	Weighted Average Grant Date Fair Value
Balance as of December 31, 2024 (unvested)	—	—
Granted	32,895	$ 3.04
Vested	—	$ —
Forfeited	—	$ —
Balance as of December 31, 2025 (unvested)	32,895	$ 3.04
Granted	—	$ —
Vested	—	$ —
Forfeited	—	$ —
Balance as of March 31, 2026	32,895	$ 3.04
Granted	10,000	$ 4.42
Vested	(10,000)	$ (4.42)
Forfeited	—	$ —
Balance as of June 30, 2026	32,895	$ 3.04
Granted	373,353	$ 3.54
Vested	—	$ —
Forfeited	—	$ —
Balance as of September 30, 2026	406,248	$ 3.50

On October 22, 2025, the Company granted 32,895 restricted shares of Company's common stock of to an employee in accordance with Medical Director Agreement. The shares were valued at approximately $0.1 million based on the closing price of NRx common stock on October 16, 2025 of $3.04 per share. The Restricted Stock vests in equal tranches over a three-year period, with each tranche vesting on the day prior to each anniversary of the effective date. The related stock-based compensation expense is being recognized over the vesting period.

On May 31, 2026, the Company granted 10,000 shares of restricted common stock under the Company's 2021 Omnibus Incentive Plan to an employee pursuant to the terms of an employment agreement. The shares were valued at approximately less than $0.1 million based on the closing price of NRx common stock on May 31, 2026 of $4.42 per share. The shares vested immediately upon grant.

On July 28, 2026, the Company granted 373,353 shares of restricted common stock under the Company's 2021 Omnibus Incentive Plan to certain officers of the Company. The RSUs had an aggregate grant-date fair value of approximately $1.3 million, based on the closing price of the Company's common stock of $3.54 per share on the grant date. The RSUs vest in three equal annual installments, with each installment vesting on the day prior to each anniversary of the effective date.

Stock-based compensation expense related to RSAs was approximately $0.1 million for the three and nine months ended September 30, 2026.

The following table summarizes the Company's recognition of stock-based compensation for the following periods (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Stock-based compensation expense				
Selling, general and administrative	$ 171	$ 56	$ 444	$ 123
Research and development	18	12	35	24
Total stock-based compensation expense	$ 188	$ 68	$ 478	$ 147

Note 13. Fair value measurements

Fair value measurements discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2026 and December 31, 2025 and during the three and nine months ended September 30, 2026 and 2025. The carrying amount of accounts payable approximated fair value as they are short term in nature. The fair value of stock options and warrants issued for services, and warrants issued with the Convertible Notes are estimated based on the Black-Scholes model. The fair value of the convertible notes payable was estimated utilizing a Monte Carlo simulation.

Fair Value on a Recurring Basis

The Company follows the guidance in ASC 820 for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period, and non-financial assets and liabilities that are re-measured and reported at fair value at least annually. The estimated fair value of the money market account represents a Level 1 measurement. The estimated fair value of the warrant liabilities and convertible note payable represent Level 3 measurements. The following table presents information about the Company's assets and liabilities that are measured at fair value on a recurring basis at September 30, 2026 and December 31, 2025, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

Description	Level	September 30, 2026	December 31, 2025
Assets:			
Money Market Account	1	$ 1,205	$ 403
Liabilities:			
Warrant liabilities (Note 11)	3	$ 12,346	$ 12,304

Convertible Note Payable - Anson

The significant inputs used in the Monte Carlo simulation to measure the Anson Convertible Notes that are categorized within Level 3 of the fair value hierarchy are as follows:

	September 30, 2025
Stock price on valuation date	$3.26
Time to expiration	0.54 – 0.83
Notes market interest rate	12.66%
Equity volatility	117.5% – 138.0%
Risk-free rate	4.07%
Probability of default	%

The following table sets forth a summary of the changes in the fair value of the Anson Notes categorized within Level 3 of the fair value hierarchy (in thousands):

Fair value of Anson Notes as of December 31, 2024	$ 6,257
Fair value of Anson III Note at issuance	2,522
Conversion and repayments of principal and interest (shares)	(1,347)
Fair value adjustment through earnings	965
Fair value of Anson Notes as of March 31, 2025	8,397
Conversion and repayments of principal and interest (shares)	(4,108)
Fair value adjustment through earnings	5,565
Fair value of Anson Notes as of June 30, 2025	$ 9,854
Conversion and repayments of principal and interest (shares)	(1,447)
Fair value adjustment through earnings	1,502
Fair value of Anson Notes as of September 30, 2025	$ 9,909

During the nine months ended September 30, 2025, the Company converted the remaining outstanding principal of the Anson Notes, together with accrued interest, with an aggregate carrying amount of $11,371, into shares of the Company's common stock. During the remaining period in 2025, the Company recognized a fair value adjustment of $2,974 in earnings related to changes in the fair value of the Anson Notes. As of December 31, 2025, there were no outstanding balances under the Anson Notes.

Warrant Liabilities

The Company utilizes a Black-Scholes model approach to value its liability-classified warrants at each reporting period, with changes in fair value recognized in the consolidated statements of operations. The estimated fair value of the warrant liabilities is determined using Level 3 inputs. There were no transfers between levels within the fair value hierarchy during the periods presented. Inherent in a Black Scholes options pricing model are assumptions related to expected share-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimates the volatility of its common stock based on historical volatility that matches the expected remaining life of the warrants. The risk-free interest rate is based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The weighted-average significant inputs used in the Black-Scholes model to measure the warrant liabilities that are categorized within Level 3 of the fair value hierarchy are as follows:

	September 30, 2026			December 31, 2025		
Stock price on valuation date	$2.92			$2.71		
Exercise price per share	$1.65	–	2.30	$1.65	-	$11.50
Expected life	2.87	–	3.47	0.39	-	3.62
Volatility	106.60	–	107.99%	80.52	-	118.80%
Risk-free rate	5.00%			3.61	-	3.64%
Dividend yield	0.0%			0.0%		
Fair value of warrants	$2.17		$2.29	$0.01	-	2.22

A reconciliation of warrant liabilities is included below (in thousands):

Balance as of December 31, 2025	$ 12,304
Change in fair value of warrant liabilities	(3,538)
Balance as of March 31, 2026	$ 8,766
Change in fair value of warrant liabilities	9,784
Balance as of June 30, 2026	$ 18,550
Change in fair value of warrant liabilities	(6,204)
Balance as of September 30, 2026	$ 12,346

Note 14. Segment reporting

On September 8, 2025, HOPE completed the acquisition of Dura, and a revenue-generating clinical organization. Following the acquisition, the Company began generating patient service revenue through Dura's operations. As a result, the Company now operates in two reportable segments, consistent with the manner in which the Chief Executive Officer, who is designated as the Company's CODM, evaluates the Company's performance and allocates resources. The Company's operations consist of (i) the development of novel therapeutics for the treatment of central nervous system disorders, including suicidal depression, chronic pain, PTSD, and schizophrenia, and (ii) the operation of a clinical services business through Hope.

The Company generated $1.2 million and $3.3 million in revenues, respectively, during the three and nine months ended September 30, 2026, respectively. The Company generated $0.2 million in revenues, respectively, during the three and nine months ended September 30, 2025. The majority of revenue for the three and nine months ended September 30, 2026 represents the revenue generated from Dura. While the Company has commenced revenue-generating activities, operating expenses remain a primary focus of management given the Company's ongoing investment in research and development and corporate infrastructure.

The CODM does not separately evaluate performance by geographic region or product line, as the Company has limited operations due to the current liquidity and funding of the Company. The Company's operations are conducted solely within the U.S.

Significant Segment Information

All of the Company's assets relate to these two operating segments, see the accompanying balance sheets excerpt below.

All of the Company's operating expenses, which consist of cost of patient services, research and development, selling, general and administrative expenses, and depreciation and amortization expenses, are attributable to its two operating segments, see the accompanying statements of operations.

The following table reconciles the loss from operations to total loss for the three months ended September 30, 2026 and 2025 (in thousands):

			For the three months ended September 30,	
Expense Category	**NRx**	**Dura**	**2026**	**2025**
(Loss) Income from operations	$ (8,146)	$ 1	$ (8,145)	$ (4,024)
Interest income	—	(4)	(4)	(2)
Interest expense	240	—	240	—
Change in fair value of convertible notes payable	—	—	—	1,502
Change in fair value of warrant liabilities	(6,204)	—	(6,204)	4,963
Loss on convertible note conversions	—	—	—	772
Gain on exercise of warrants	—	—	—	(5,369)
Income from equity method investments	(2)	—	(2)	—
Net loss	$ (2,180)	$ 5	$ (2,175)	$ (5,890)

The following table reconciles the loss from operations to total loss for the nine months ended September 30, 2026 and 2025 (in thousands):

			For the nine months ended September 30,	
Expense Category	NRx	Dura	2026	2025
(Loss) Income from operations	$ (19,579)	$ 185	$ (19,394)	$ (11,600)
Interest income	—	(15)	(15)	(8)
Interest expense	710	—	710	—
Change in fair value of convertible notes payable	—	—	—	8,032
Change in fair value of warrant liabilities	42	—	42	8,481
Loss on issuance of Registered Direct Offering	—	—	—	730
Loss on Consideration Shares and Warrants	—	—	—	1,277
Loss on convertible note conversions	—	—	—	4,239
Gain on exercise of warrants	—	—	—	(5,369)
Income from equity method investments	(6)	—	(6)	—
Net loss	$ (20,325)	$ 200	$ (20,125)	$ (28,982)

Long-lived assets consist of property, furniture and equipment which are included in property and equipment, net in the balance sheet. Long-lived assets by year are as follows (in thousands):

			As of	
	NRx	Dura	September 30, 2026	December 31, 2025
Medical equipment	$ 46	$ 57	$ 103	$ 57
Computer equipment	39	4	43	32
Aircraft	712	—	712	—
Furniture and fixtures	56	4	60	4
Leasehold improvements	71	—	71	—
Total property and equipment	$ 924	$ 65	$ 989	$ 93
Less: Accumulated depreciation	(63)	(25)	(88)	(30)
Property and equipment, net	$ 861	$ 40	$ 903	$ 63

Note 15. Income taxes

The Company recorded no provision or benefit for income tax expense for the three and nine months ended September 30, 2026 and 2025, respectively.

For all periods presented, the pretax losses incurred by the Company received no corresponding tax benefit because the Company concluded that it is more likely than not that the Company will be unable to realize the value of any resulting deferred tax assets. The Company will continue to assess its position in future periods to determine if it is appropriate to reduce a portion of its valuation allowance in the future.

The Company has no open tax audits with any taxing authority as of September 30, 2026.

Note 16. Business acquisitions

Dura Medical, LLC

Transaction Overview

On September 8, 2025, HOPE, a majority owned subsidiary the Company, completed the acquisition of Dura, a Florida-based behavioral health and interventional psychiatry practice with locations in Naples and Fort Myers, Florida. Dura was founded in 2018 and provides outpatient mental health treatment specializing in evidence-based therapies for treatment-resistant conditions, including depression, anxiety, PTSD, OCD, and chronic pain. Services include ketamine infusion therapy, Spravato® administration, TMS, Stellate Ganglion Blocks, psychotherapy, and medication management.

The acquisition aligns with the Company's strategy to expand its clinical care delivery platform through HOPE and establish a multi-site network offering advanced interventional psychiatry services. Management expects the acquisition to accelerate revenue generation and provide a foundation for integrating proprietary therapeutics, including NRX-100 and NRX-101, upon FDA approval.

Consideration Transferred

The fair value of the consideration transferred was $4.01 million, consisting of cash consideration (subject to customary closing adjustments). The preliminary estimated working capital and other customary closing adjustments resulted in a decrease of approximately $0.8 million to the purchase price, which is included in the total consideration transferred.

The following items were determined to represent post-employment compensation under ASC 805 and ASC 718 and are excluded from the purchase price consideration:

- Issuance of 6,188 Class A units of HTX as rollover equity subject to conditional vesting; and
- Contingent consideration of up to $3.0 million payable over three years based on achievement of specified EBITDA performance targets.

These amounts will be accounted for as compensation expense in future periods as services are rendered.

In connection with the acquisition of Dura, the Company incurred total acquisition-related costs of approximately $0.1 million during the year ended December 31, 2025. These costs primarily consist of legal, accounting, consulting fees and a finder fee directly attributable to the transaction. These costs were expensed as incurred and are reflected in selling, general and administrative expenses in the consolidated statements of operations.

Purchase Price Allocation

The Company has applied the acquisition method of accounting in accordance with ASC 805, Business Combinations ("ASC 805") and recognized assets acquired, and liabilities assumed at their fair value as of the date of acquisition, with the excess purchase consideration recorded to goodwill. As the Company finalizes the estimation of the fair value of the purchase price and the fair value of the assets acquired and liabilities assumed, additional adjustments may be recorded during the measurement period (a period not to exceed 12 months from the acquisition date).

The Company recorded all tangible and identifiable intangible assets acquired and liabilities assumed at their fair values as of the acquisition date. The measurement period ended September 8, 2026, and the purchase price allocation is final. The allocation is as follows:

Amount Recognized as of the Acquisition Date (In Thousands)	
Assets assumed	
Cash and cash equivalents	$ 536
Accounts receivable	251
Other current and non-current assets	453
Customer relationship	311
Trade name	673
Goodwill	2,349
Total assets acquired	4,573
Less: liabilities assumed	(495)
Net assets acquired	$ 4,078

Certain adjustments of approximately $0.5 million to the purchase price were recorded, increasing the purchase price during the measurement period ended September 8, 2026. Changes to the provisional amounts recognized at the acquisition date—if based on new information about facts and circumstances that existed as of the acquisition—must be accounted for retrospectively during the measurement period.

Intangible Assets

The Company identified the following finite-lived intangible assets, which will be amortized on a straight-line basis over their estimated useful lives once finalized:

- Trade Name – includes the “Dura Medical” name and associated trademarks.
- Customer relationship – representing the value of established patient relationships and referral sources.

The acquired intangible assets are being amortized over their estimated useful lives as follows (in thousands):

	Fair Values	Weighted Average Useful Life (Years)
Trade name and trademarks	$ 673	8.0
Customer relationships	311	3.0
Total intangible assets	984	
Less accumulated amortization	(197)	
Net carry value	$ 785	

The Company incurred amortization expense of $44,000 and $137,000 during the three and nine months ended September 30, 2026.

As of September 30, 2026, the maturities of the Company’s intangible assets were as follows (in thousands):

Remainder of 2026	$ 47
2027	188
2028	158
2029	84
2030	84
Thereafter	226
Total	$ 787

Goodwill

Goodwill of approximately $2.3 million represents the excess of the purchase consideration over the fair value of net assets acquired and was recognized in connection with the acquisition. None of the goodwill is expected to be deductible for tax purposes. The goodwill is assigned to the Dura subsidiary. The goodwill primarily represents expected synergies, assembled workforce, and future growth potential. No goodwill arose from step acquisitions or non-controlling interests.

Measurement Period

The Acquisition was recorded as a business combination on a preliminary valuation of assets acquired and liabilities assumed at their acquisition date fair values using unobservable inputs that are supported by little or no market activity and are significant to their fair value of the assets and liabilities ("Level 3" inputs). We expect to complete our purchase price allocation, as well as our fair value estimate of the purchase price consideration as soon as reasonably possible, not to exceed one year from the acquisition date. Adjustments to the preliminary purchase price and allocation could be material. Goodwill and intangible assets represent the excess of the purchase price consideration over the preliminary valuation of the other net assets acquired.

Pro-Forma Financial Information (Unaudited)

The following unaudited pro forma information presents the consolidated results of Dura included in the Company's consolidated statement of operations loss for the three and nine months ended September 30, 2025, as if the acquisition was made on January 1, 2025. The unaudited pro forma information is presented for illustrative purposes only. It is not necessarily indicative of the results of operations of future periods, or the results of operations that actually would have been realized had the entities been a single company during the periods presented or the results that the combined company will experience after the acquisition. The unaudited pro forma information does not give effect to the potential impact of current financial conditions, regulatory matters or any anticipated synergies, operating efficiencies or cost savings that may be associated with the acquisition. The unaudited pro forma information also does not include any integration costs or remaining future transaction costs that the companies may incur related to the acquisition as part of combining the operations of the companies.

The unaudited pro forma consolidated results of revenue and net loss, assuming the acquisitions had occurred on January 1, 2025, is as follows (in thousands):

	(Unaudited) For the three months ended September 30, 2026	(Unaudited) For the nine months ended September 30, 2026
Revenue	$ 1,240	$ 3,259
Net loss	$ (2,268)	$ (20,185)

The unaudited pro forma results for the three and nine ended September 30, 2025, include material nonrecurring adjustments of $0.1 million related to the amortization of intangible assets acquired in connection with the Dura acquisition and approximately $0.1 million related to the finders' fees incurred and earned upon closing of the transaction. Net patient service revenue and net loss attributable to Dura for the three months ended September 30, 2025, and included in the Company's consolidated statement of operations, were $1.2 million and $0.1 million, respectively. Net patient service revenue and net income attributable to Dura for the nine months ended September 30, 2025, and included in the Company's consolidated statement of operations, were $3.3 million and $0.2 million, respectively.

Note 17. Related party transactions

Glytech Agreement

The Company licenses patents that are owned by Glytech, LLC ("Glytech"), pursuant to a license agreement (the "Glytech Agreement"). Glytech is owned by Daniel Javitt, the co-founder and a former director of the Company. The Glytech Agreement requires that the Company pay Glytech for ongoing scientific support and also reimburse Glytech for expenses of obtaining and maintaining patents that are licensed to the Company. During the three months ended September 30, 2026 and 2025, the Company paid Glytech $0, and $0, respectively, for continuing technology support services and reimbursed expenses. During the nine months ended September 30, 2026 and 2025, the Company paid Glytech $0.3 million and $0, respectively, for continuing technology support services and reimbursed expenses. These support services are ongoing.

The Fourth Amendment to the Glytech Agreement, effective as of December 31, 2020, includes an equity value-triggered transfer of Excluded Technology from Glytech to the Company. The Excluded Technology is defined in the Glytech Agreement as any technology, and any know-how related thereto, covered in the licensed patents that do not recite either DCS or lurasidone individually or jointly. This definition would cover pharmaceutical formulations, including some that the Company considers "pipeline" or "future product" opportunities, which contain a combination of pharmaceutical components different from those contained in NRX-100 and NRX-101. On November 6, 2022 the Glytech Agreement was amended whereby Glytech agreed to transfer and assign the remainder of the Licensed Technology and the Excluded Technology to the Company for no additional consideration at any time upon receipt of written notice from the Company if, on or prior to June 30, 2024, (i) the value of the Glytech equity holdings in the Company (the "Glytech Equity") has an aggregate liquidity value of at least $50 million for twenty (20) consecutive trading days immediately preceding any given date and (ii) there are no legal or contractual restrictions on selling all of the securities represented by the Glytech Equity then applicable to Glytech (or reasonably foreseeable to be applicable to Glytech within the following twenty trading days).

Consulting Agreement with Dr. Jonathan Javitt

The Chairman and Chief Executive Officer of the Company, Dr. Jonathan Javitt, is a stockholder of the Company and a member of the Board. Therefore, his services are deemed to be a related party transaction. He served the Company on a full-time basis as chief executive officer under an employment agreement with the Company until March 8, 2022 and currently serves under a consulting agreement with the Company as Chief Executive Officer thereafter and received compensation of $0.4 million and $0.2 million during the three months ended September 30, 2026 and 2025, respectively. Dr. Javitt received compensation of $0.8 million and $0.8 million during the nine months ended September 30, 2026 and 2025, respectively.

On March 29, 2023, the consulting agreement dated March 8, 2022 (the "Javitt Consulting Agreement") between the Company and Dr. Jonathan Javitt was amended to extend the term of the Javitt Consulting Agreement until March 8, 2024 with automatic annual renewals thereafter unless one party or the other provides notice of non-renewal. The amendment also provided for payment at the rate of $0.6 million per year, payable monthly (i.e., less than $0.1 million per month), and a performance-based annual bonus with a minimum target of $0.3 million, at the discretion of the Board and upon satisfactory performance of the services. As of September 30, 2026 and December 31, 2025, accrued discretionary bonus compensation under the Javitt Consulting Agreement totaled $0 and $0.2 million, respectively, and was included in accrued expenses and other current liabilities on the condensed consolidated balance sheets. The $0.2 million accrued bonus outstanding as of December 31, 2025 was paid during the nine months ended September 30, 2026.

Consulting Agreement with Zachary Javitt

Zachary Javitt is the son of Dr. Jonathan Javitt. Zachary Javitt provides services related to website, IT, and marketing support under the supervision of the Company's Chief Executive Officer who is responsible for assuring that the services are provided on financial terms that are at market. The Company paid this family member a total of less than $0.1 million and less than $0.1 million during the three months ended September 30, 2026 and 2025, respectively. The Company paid this family member a total of $0.2 million and $0.2 million during the nine months ended September 30, 2026 and 2025, respectively. These services are ongoing.

Included in accounts payable were $0.1 million and $0.3 million due to the above related parties as of September 30, 2026 and December 31, 2025, respectively.

Consulting Agreement with Michael Taylor

In June 2024, the Company entered into a consulting agreement with Michael Taylor (the "Taylor Consulting Agreement"), who was subsequently appointed to the Company's Board of Directors in January 2025. Pursuant to the Taylor Consulting Agreement, Mr. Taylor provides capital formation and strategic advisory services in support of the Company's development of HOPE, including advising on the Company's initial funding efforts for HOPE, assisting with outreach to family offices and similar investors, and supporting the identification and retention of a brand ambassador. During the three months ended September 30, 2026 and 2025, the Company made cash payments to Mr. Taylor totaling less than $0.1 million and $0.1 million, respectively, in connection with the Taylor Consulting Agreement. During the nine months ended September 30, 2026 and 2025, the Company made cash payments to Mr. Taylor totaling $0.1 million and $0.1 million, respectively, in connection with the Taylor Consulting Agreement.

Naples Lease Operating Agreement

The Company leases its Naples clinic from Dura Properties, LLC, an entity owned and controlled by Dura's former sole member. Following the acquisition on September 8, 2025, the former sole member became a director and minority shareholder of the Company. As a result, the related-party lease right-of-use ("ROU") asset and operating lease liability were measured as of the acquisition date in accordance with FASB ASC 805, Business Combinations, as if the lease were a new lease as of that date. Lease payments under the lease agreement were less than $0.1 million for each of the three and nine months ended September 30, 2026.

Note 18. Investment in Cohen and Associates

On October 17, 2025, the Company, through its subsidiary HOPE, completed the acquisition of a strategic, minority ownership interest in Cohen & Associates, LLC, a Florida limited liability company ("Cohen & Associates"), for cash consideration of $432,000. The investment was acquired pursuant to a Membership Interest Purchase Agreement dated October 17, 2025, by and among HOPE, Cohen LLC, and Rebecca S. Cohen, MD, which includes customary representations, warranties, indemnification provisions, and certain post-closing adjustments.

The Company accounts for its investment in Cohen & Associates under the equity method of accounting, as the Company has the ability to exercise significant influence over Cohen & Associates but does not control the entity. The investment is recorded at cost and subsequently adjusted for the Company's proportionate share of Cohen & Associates' net income or loss, which is included in equity method loss in the accompanying statements of operations for the year ended December 31, 2025 in the amount of $35,000. As of December 31, 2025 the carrying value of the equity method investment was $397 thousand.

Note 19. Government Grants

On September 29, 2026, NRX Defense Systems, Inc., a wholly owned subsidiary of the Company, entered into an Other Transaction for Research agreement (the "DARPA Agreement") with the Defense Advanced Research Projects Agency ("DARPA") under 10 U.S.C. § 4021. The DARPA Agreement funds the Synaptic Plasticity Augmented Rapid Circuit Stimulation ("SPARC-TMS") program, a pivotal, 240-patient randomized controlled trial evaluating ultra-accelerated transcranial magnetic stimulation combined with NRX-101 for the treatment of treatment-resistant depression.

The DARPA Agreement has an 18-month term and provides for total funding of up to $11.2 million. Payments are made upon DARPA's verification and written acceptance of eight specified milestones. As of September 30, 2026, DARPA had obligated $6.7 million under the DARPA Agreement. The remaining $4.5 million is subject to future obligation by DARPA, and DARPA's liability is limited to the amounts obligated. Either party may terminate the DARPA Agreement, after consultation, upon a reasonable determination that the program will not produce beneficial results. Amounts received are not subject to repayment, except in the event of an unapproved transfer of technology developed under the DARPA Agreement to a foreign firm or institution. The Company retains title to subject inventions, subject to a nonexclusive, paid-up license to the U.S. Government. The U.S. Government also receives certain rights in data generated under the DARPA Agreement.

In the forty-five (45) days subsequent to the signing of the contract, the Company completed the first two of ten contractual milestones and DARPA agreed to receive invoices totaling approximately $2.2 million. Those invoices have now been submitted and are anticipated to be reflected in the Company's fourth quarter financial results. Currently, approximately seventy-five percent (75%) of Milestone 3 has been completed, and the Company anticipates completing the entire milestone during the fourth quarter of 2026, resulting in a corresponding invoice of approximately $3.4 million, which is also expected to be reflected in the Company's fourth quarter financial results

The Company accounts for the DARPA Agreement as a government grant related to income in accordance with ASC 832, *Government Grants*, as amended by ASU 2025-10, which the Company early adopted effective January 1, 2026.

For the three and nine months ended September 30, 2026, the Company recognized no grant income under the DARPA Agreement, and there were no grant receivables or deferred grant income as of September 30, 2026, because no qualifying costs had been incurred and no milestones had been achieved as of that date.

Note 20. Subsequent events

From October 1, 2026 through November 16, 2026, the Company sold an aggregate of 982,215 shares of its common stock shares in connection with the at-the-market offering for approximately $2.7 million, net of less than $0.1 million in offering costs.

On October 15, 2026, the Company received a discipline review letter from the FDA requesting minor changes to the proposed labeling for its preservative-free ketamine ANDA. The Company has evaluated subsequent events through the date these financial statements were issued.

On October 30, 2026, the Company announced that the FDA approved the Company's Abbreviated New Drug Application ("ANDA") for Preservative-Free Ketamine, ahead of the November 10, 2026 goal date established under the Generic Drug User Fee Amendments ("GDUFA").

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of NRx Pharmaceuticals' financial condition and plan of operations together with NRx Pharmaceuticals' consolidated financial statements and the related notes appearing elsewhere herein. In addition to historical information, this discussion and analysis contains forward looking statements that involve risks, uncertainties, and assumptions. NRx Pharmaceuticals' actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section entitled "Risk Factors" included elsewhere herein. All references to "Note," followed by a number reference from 1 to 20 herein, refer to the applicable corresponding numbered footnotes to these consolidated financial statements.

Overview

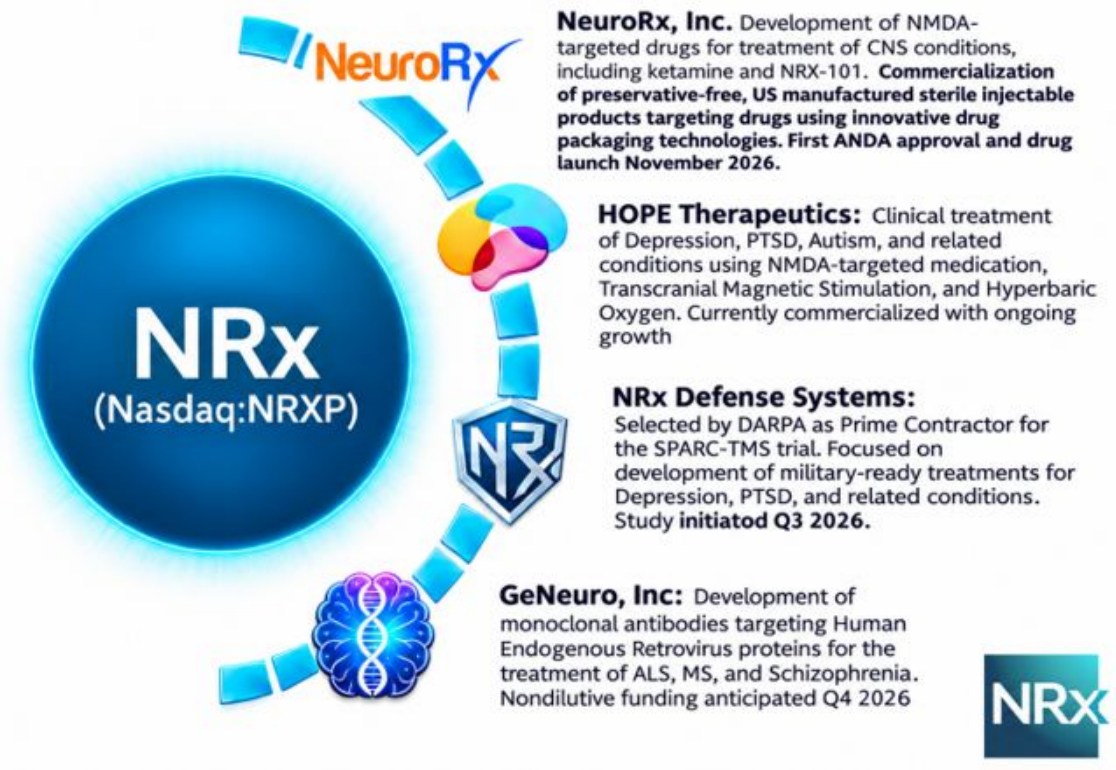
The Business

NRx Pharmaceuticals, Inc. (Nasdaq: NRXP) ("NRx", the "Company", "we", "us" or "our") is a commercial-stage bio-pharmaceutical company that controls an ecosystem of companies focused on the treatment of central nervous system disorders including suicidal depression, chronic pain, post-traumatic stress disorder ("PTSD"), ALS, Multiple Sclerosis, and schizophrenia. Over the past year, the Company has undergone substantial growth and reorganization.

The third quarter of 2026 together with the subsequent period represents a significant "sea change" in which the Company has obtained its first FDA drug approval and consequently the potential for meaningful commercial revenue, together with a US Defense Contract that offers the Company a unique commercial direction in the rapidly-growing interventional psychiatry market. In the process, the Company established a Defense Contracting subsidiary that now has the requisite security and cybersecurity clearances to broaden its defense-related business activities.

The Company completed its first public offering with the sponsorship of the B Group in June 2026. This provided funding for the completion of the ketamine ANDA, building of pharmaceutical launch stock, and recruitment of a commercial team. The first 9 months of 2026 additionally encompassed the founding of NRx Defense Systems and GeNeuro, Inc., as detailed below. The revitalization of NRx's corporate structure has enabled key partnerships with the US National Institutes of Health, the Fondation Fondamental and the French Government, and an emerging partnership with the Canton of Basel Switzerland.

NRx is now comprised of a constellation of companies, as depicted below, that are expected to contribute to corporate value in a manner that is accretive to shareholder value.



NRx Corporate Advances

In 2025, our current management team was asked by the board to attempt a revitalization of the Company with a focus on building near-term revenue opportunities . Accordingly, in the twelve months ended September 30, 2025, the Company was able to attract the B Group of Dallas, TX, as a strategic investor and clear the balance sheet of toxic debt in August 2025. This enabled the Company to attract analyst coverage from highly regarded biotechnology analysts and to attract equally regarded health care specialist investors. From an ownership base that was largely retail and debt holder, NRx is now free of convertible debt and approximately 30% owned by institutional investors. As depicted above, the parent company (NRx) was organized into four divisions as depicted above.

NeuroRx, Inc.

NeuroRx, Inc. was the original basis of NRx Pharmaceuticals, focused on development of an innovative drug to treat suicidal bipolar depression (NRX-101). Its CNS focus was interrupted during the Covid years and resumed in 2022. NeuroRx has now expanded to encompass its foundation drug and an injectable sterile products division that has just been granted its first drug approval.

NeuroRx Sterile Products: Aim to Deliver Sterile Injectable Products at Margins Consistent with Innovative Drugs.

A key focus our refocus was to concentrate on immediately revenue-generating drugs, such as preservative-free ketamine, that could rapidly be introduced to the market with minimal regulatory risk. This led the Company to partner with Nephron Pharmaceuticals (West Columbia, SC) and advance blow-fill-seal packaging technology from a compounding pharmacy business model to an FDA-approved drug model using the regulatory expertise on the NRx team.

In the course of developing NRX-101, which was envisioned to be administered following an infusion of Intravenous Ketamine, the Company was directed in 2024 by the FDA to seek a label for use of ketamine in the treatment of depression if there was an intention to use ketamine in conjunction with NRX-101. This request gave rise to what is now a rapidly-emerging commercial opportunity for NRx Pharmaceuticals with its first drug approval received in October 2026. We estimate the current United States demand for sterile injectable ketamine to approximate $400 million and to be expanding at greater than a 15% growth rate as ketamine is increasingly used in hospitals for pain control as well as anesthesia. This estimate does not fully incorporate the potential of ketamine to be used in the treatment of depression and PTSD under our NRX-100 program.

The mission of our **NeuroRx Sterile Products** division was expanded to encompass the manufacture and immediate commercial distribution of a broader array of sterile injectable products to meet urgent United States market demand. With little public recognition, the injectable sterile products industry in the United States atrophied over the Covid years, in part because of increased costs of pharmaceutical-grade glass and competition for glass-bottle manufacturing lines by new, high-margin innovative biologics. The gap was partially-filled by a rapid growth of compounding pharmacies, attempting to manufacture pharmaceutical products at scale without FDA approval and without full compliance with the Food, Drug, and Cosmetics act. Compounded drugs are manufactured under state pharmacy laws intended for low volume production of drugs that cannot be sourced through the FDA-regulated drug supply chain.

In recent years, FDA has exerted additional enforcement authority, effectively requiring 503b compounders to comply with full Good Manufacturing Practices and issuing enforcement actions against those who do not. 503b compounded goods create major disadvantages for hospital customers because state law limits their expiration date to 90 days or less, which is highly disadvantageous to the pharmacy stocking needs of any hospital. Frequent reports of contaminated sterile compounded products attest to the risk associated with attempting to use compounded sterile drugs as a substitute for properly manufactured, FDA-approved drugs. Moreover, 503b compounded drugs may not be legally sold when an FDA-approved drug is available and not in drug shortage.

Widespread shortages of sterile, injectable drugs are only partially filled by an overseas supply chain. Until now, injectable drugs could not be manufactured in more economical blow-fill-seal packaging because there was no FDA-approved mechanism to transfer the medication from the BFS container to a sterile syringe in the manner that medication could be withdrawn from a glass vial. This challenge was addressed by the luer-lock drug/device combination approved as part of NRx's Abbreviated New Drug Approval by the US Food and Drug Administration on October 29, 2026 for a preservative-free ketamine product, which has now entered the commercial launch phase. Although the luer-lock was previously incorporated in a water-for-injection product, this was the first drug approval in which this innovation was reviewed by and approved by FDA as a drug/device combination. Extensive regulatory documentation and engineering testing were required in support of this innovation that will provide NRx with a market-leading platform for this and future sterile, injectable products.



The manufacturing innovation, driven by NRx's collaboration with Nephron Pharmaceuticals (West Columbia, SC) and Rommelag AG (Germany) has led to a cost of goods (COGS) that is a fraction of the former cost of glass vial-packaged drugs. For instance, 900,000 units can be manufactured on a blow fill seal manufacturing line in the same time as 50,000 glass bottles can be filled, stoppered, and packaged. NRx's prior experience with glass bottling during the Covid years yielded a COGS of about $3.25 per unit, compared with approximately $0.75 per unit with BFS. The cost of buying and managing the glass generally exceeds the cost of the active pharmaceutical ingredient. This high COGS may help explain the diminished supply of sterile injectable products from overseas.

The innovative packaging associated with our first approved product additionally provides benefits to the hospital personnel who must handle the product. When pharmacists, nurses and doctors draw injectable products from traditional glass vials, they must mount a needle on a syringe, pierce a rubber stopper with a needle, and safely dispose of the needle. CDC estimates that hospital-based health care personnel in the United States sustain approximately 385,000 needlestick and other sharps injuries each year, a figure that likely understates the true burden because it excludes non-hospital settings and surveys indicate that 50% or more of injuries go unreported. In addition, the NRx luer vial does not generate "sharps" medical waste, which is costly and complex to dispose of. Staff safety and staff time are at a premium in every U.S. hospital, and customers have applauded the value of the NRx BFS solution. Human factors studies conducted by NRx have demonstrated considerable time savings for medical staff associated with the luer-lock vial compared to traditional glass bottles.

Following the ANDA approval, NRx recruited, trained and certified a seventeen-person sales force, who initiated marketing of the ketamine product with anticipated net margins that are consistent with innovative drugs. This salesforce is comprised of sterile products veterans with decades of customer contact with hospitals, group purchasing organizations, insurers, and federal purchasers.

Efficiencies are driven by the innovative blow-fill-seal (BFS) packaging solution that is far less costly than traditional glass bottle packaging currently used in sterile injectable drugs. NeuroRx continues to develop innovative forms of ketamine to treat depression and PTSD (NRX-100/200) and an oral neuroplastic drug (NRX-101) that has demonstrated phase 2 proof of concept for suicidal bipolar depression and, more recently, for the augmentation of Transcranial Magnetic Stimulation (TMS) in Treatment-Resistant Depression.

NRx Innovative Pharmaceuticals: Developing NMDA Antagonist Drugs to treat Depression and Suicidality

Historically, NeuroRx drug development activities have focused on drugs that enhance neuroplasticity by modulating the N-methyl-D-aspartate ("NMDA") receptor in the brain and nervous system, a neurochemical pathway that has been disclosed in detail in our annual filings.

NRX-100: Ketamine for treatment of depression and PTSD

Our involvement with ketamine as an innovative drug gave rise to the sterile products division and the near-term revenue described above. Ketamine is widely used to treat depression and suicidality on an off-label basis and the Company has shared extensive clinical trials data to support that use. In 2026 we were awarded Fast Track Designation by the FDA for this indication, the White House issued an executive order guiding the FDA to allow the use of Real World Evidence in support of this indication, and the Congressional Appropriations Committee that regulates the FDA budget guided FDA to allow the use of Real World Evidence for approval of ketamine.

The Company met with the FDA in early 2026 and the Agency agreed to accept Real World Evidence (RWE) in support of Drug Approval. White House and Congressional policy statements were published in support. However, in ongoing correspondence, the Agency asked the Company to demonstrate that the PHQ-9 depression rating scale generally used in RWE is comparable to the Montgomery Asberg Depression Rating Scale (MADRS) typically considered "Fit for Purpose" by the FDA for approval of antidepressants.

To address this regulatory issue, the Company contracted with Osmind, Inc., and Yale University to examine datasets in which SPRAVATO treatment was assessed with both scales. Results demonstrate that the two scales demonstrate nearly identical effect sizes when used to measure reduction of depression in two clinical trials. Based on these findings, the Company will continue its application for Drug Approval.

Day-28 outcome measures in TRANSFORM-2. Means, standard deviations (SDs) and sample sizes from Floden et al. (2022) Table 2 [6]; Cohen's d computed from values reported there, with positive values favoring esketamine.

Outcome	Esketamine + OAD: mean (SD), n	OAD + placebo: mean (SD), n	Cohen's d
MADRS	15.5 (10.67), 101	20.6 (12.70), 100	0.435
PHQ-9	7.3 (5.74), 104	10.2 (7.68), 100	0.429

Based on the Osmind/Yale results (partially depicted above) we believe we have an adequate answer to the FDA's query regarding PHQ-9 vs. MADRS. Moreover, with the approval of our luer-lock vial, we now have a manufacturing solution for NRX-100 that we believe is compliant with FDA requirements. We expect to initiate submission of the NRX-100 NDA in the remainder of 2026. This submission will be accompanied by a request for Accelerated Approval based on the newly-established Yale/PCORI collaboration (see below).

NRX-101 (D-cycloserine/lurasidone): Our company began with NRX-101 (D-cycloserine+lurasidone) to treat suicidal bipolar depression. NRX-101 was awarded Breakthrough Therapy Designation by the FDA and demonstrated to reduce depression, suicidality, and akathisia in two randomized controlled trials where it demonstrated superiority to lurasidone, a standard of care antidepressant, in relieving symptoms of akathisia and suicidality in both of those trials. Despite the effectiveness of NRX-101 in this indication, the future of twice-daily antidepressant pills as the standard of care for treating depression is rapidly being challenged by interventional psychiatry advances where our Company is actively engaged (see below).

The unexpected, positive development for NRX-101 is the discovery that the ingredients of NRX-101 significantly augment the effectiveness of Transcranial Magnetic Stimulation and potentially enable a rapid (one day) treatment of depression with durable results. Preliminary results in our HOPE Therapeutics Clinics and in the hands of our partners at Harvard McLean Hospital support the results reported by McGirr, Vaughn, Downar, and others (see illustration below). In September 2026, the Defense Advanced Research Projects Agency awarded a Prime Contract to NRx Defense Systems to lead a Phase 2/3 clinical trial that has the potential to support an FDA approval of NRX-101 in conjunction with Rapid, Robotic Transcranial Magnetic Stimulation. The Company is finalizing a Cooperative Research and Development Agreement with the Uniformed Services Health Sciences University to expand this trial to several leading military hospitals.

NRX-200: pH neutral ketamine: As we have gained experience with the use of intravenous ketamine to treat depression through our HOPE Therapeutics division, we have increasingly recognized the ergonomic challenges of administering IV ketamine. IV infusion of ketamine, if done in compliance with laws in most states requires infusion nurses, nurse anesthetists, anesthesiologists, or similar highly-trained personnel. Oral, intramuscular, and intranasal forms of ketamine are believed by many to be less efficacious in treating depression. A steady state of low dose ketamine is optimally-required to achieve the antidepressant effect, which cannot be effected by any of the above routes. An ideal route of administration might be subcutaneous ketamine, which can be delivered via an insulin-type infusion pump with no IV needles or setup.

The barrier to subcutaneous ketamine is that ketamine hydrochloride (HCl), the currently used form of the drug is highly acidic and barred from subcutaneous infusion. Any attempt to raise the pH of ketamine HCl with standard buffers results in its precipitation from solution. NRx has developed and now demonstrated feasibility for a proprietary formulation of ketamine based on an already FDA-approved cyclodextrin vehicle, which has a neutral pH. This form of ketamine NRX-200, is anticipated to be advanced to first-in-human testing in 2027. Should this subcutaneous approach prove successful, we believe that it could become the standard of care for administration of ketamine to treat depression and offer advantages over either intranasal or intravenous administration.

The Sea Change from Traditional Antidepressants to Combined Neuroplastic Care

In the decade since the founding of NeuroRx, treatment of depression has changed considerably. While SSRI/SNRI oral medications remain the most commonly used treatments, NMDA antagonist drugs, psychedelic drugs, and Transcranial Magnetic Stimulation have advanced. To give some perspective on the reported effects of these treatments, the Company presented the illustration below at the 2026 Cantor Fitzgerald Health Care Conference. All results shown are from published, peer-reviewed papers, although these results are not recognized by the FDA as labeling claims for any product.

While we are far from a standard of care treatment that will replace traditional oral antidepressants, it may be important to recognize that the efficacy claims identified in the most successful clinical trials of psychedelic medications do not exceed the efficacy seen with traditional antidepressants, although the psychedelic drugs are generally administered on one or several occasions, rather than several times a day. Intravenous Ketamine effectiveness has been reported in multiple clinical trials to exceed that of oral antidepressants, although the question of whether IV ketamine can be used as a chronic treatment remains open.

These reported data underlie the enthusiasm for exploring a one day or multiday treatment with focused Transcranial Magnetic Stimulation, particularly among military personnel and first responders for whom traditional oral antidepressants and newer psychedelic medications are often incompatible with continued military service. This recognition underlies the STRENGTHEN program of the Defense Advanced Research Projects Agency (DARPA) and provides the basis for the SPARC-TMS clinical trial (see below).

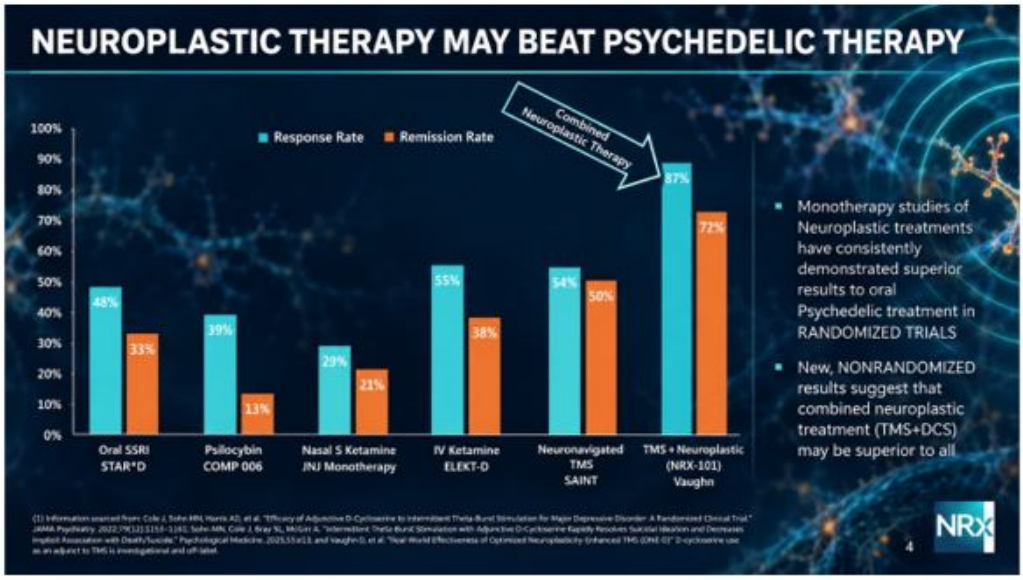


Figure 1: Comparison of reported effectiveness observed for traditional antidepressants, recent psychedelic clinical trials, intranasal and intravenous ketamine, and Transcranial Magnetic Stimulation, with and without addition of D-cycloserine. The data above, while published in peer-reviewed studies are not a direct statistical comparison and none of these data have resulted in efficacy claims granted by the Food and Drug Administration.

NRx is additionally the founder and majority owner of HOPE Therapeutics, Inc. ("HOPE"), a medical services company that offers interventional psychiatry care to patients with treatment-resistant depression and PTSD with a combination of neuroplastic drugs, transcranial magnetic stimulation ("TMS"), digital therapeutics, and hyperbaric therapy. HOPE Therapeutics was founded by the Company in February 2024, with the intent of developing a medical care delivery organization focused on providing cutting-edge, comprehensive interventional psychiatric treatment with the most effective treatments available, including NMDA-targeted and other neuroplastic drugs, such as ketamine, Spravato and NRX-101, neuromodulatory devices, such as TMS, hyperbaric therapy, digital therapeutics, and medication management. During 2025, the Company developed the operating model for HOPE and made initial clinic acquisitions with funding from the B-Group. HOPE generated its first clinical revenue in the fourth quarter of 2025 and as of September 30, 2026, operates in six locations in Florida, including Dura Medical, Cohen Associates, and three clinics founded by HOPE. The enterprise offers precision-based interventional psychiatry services, including ketamine infusion therapy, TMS, Spravato®, stellate ganglion blocks, and psychotherapy. HOPE is supported by HTX Management Company, LLC ("HTX"), a majority owned subsidiary of HOPE organized as a Delaware limited liability company, for the purpose of supporting future back-end operations associated with the growing network of HOPE clinics.

HOPE Therapeutics: Transforming the Delivery of Interventional Psychiatry

In its first year of operation, HOPE's leadership recognized the widespread challenges affecting the TMS clinic industry and chose to partner in the development of innovative technologies with thought leaders at Harvard McLean hospital and the Yale Department of Psychiatry. Accordingly, HOPE deferred its plans for widespread expansion via debt-based acquisition and focused on establishing a footprint in Florida that would advance new technologies to benefit patients, focusing on Robotic Neuronavigated Transcranial Magnetic Stimulation.

This led to HOPE's partnerships with Neurocare, AG, a German manufacturer of TMS equipment and Zeta Surgical, Inc., manufacturer of the first neuronavigated, robotic precision TMS system. This partnership led to the HOPE's selection by DARPA to lead the SPARC-TMS trial. When combined with NRx's NRX-101 oral medication, the Company aims to deliver precision and efficacy in treating depression and PTSD that surpasses currently available solutions.

NRx Defense Systems

During 2026, NRx founded NRx Defense Systems, Inc. ("NRXD") as a qualified military contractor in response to an invitation from the Defense Advanced Research Projects Agency (DARPA) to submit a bid under their Broad Area Announcement. NRXD focuses on military and first-responder uses of NRx/HOPE technology in partnership with DARPA, the Uniformed Services Health Sciences University (USU), the Walter Reed National Military Medical Center/Henry Jackson Foundation, and first responder organizations. In October 2026, NRXD was awarded the $11.25 million Prime Contract to lead the SPARC-TMS clinical trial (07227103) by the Defense Advanced Research Projects Agency (DARPA) as a lead component of the STRENGTHEN program focused on treating depression, PTSD, and suicidality in the military. NRXD is partnered with Harvard McLean Hospital and Arizona State University in the conduct of this trial.

NRx Defense Systems is now a fully-qualified DARPA contractor that meets the security and cybersecurity requirements of current and future defense contracts. NRXD has been advised by DARPA that it has satisfied its initial milestones and its first two invoices are approved for payment in Q4 2026. NRXD is anticipated to be funded through non-dilutive capital.

GeNeuro, Inc.

Background on Geneuro and Human Endogenous Retroviruses

Retroviruses were first discovered in 2005, with the discovery of the HTLV3 virus that causes AIDS. This class of viruses infects a person by blood contact, enters the person's genome, and replicates to form viral particles that may infect others. Although HTLV3 is widely known because of its role in AIDS, Human Endogenous Retroviruses (HERVs) are largely unknown outside the field of molecular biology. Yet, emerging data suggests that HERVs may play a causative role in major neurodegenerative diseases including ALS, Multiple Sclerosis, Schizophrenia, Fronto Temporal Dementia, and other devastating conditions whose cause was previously unknown. HERVs are believed to be "fossils" of ancient viruses that infected primates 100,000 or more years ago and whose proteins were essential for development of the human brain and the human placenta. While an active retrovirus, such as HTLV3 may be controlled with anti-retroviral drugs, the damage caused by HERV proteins is not a true viral infection and the specific toxic proteins must be targeted to attenuate human disease. An analogy is the well understood cause of macular degeneration of the eye by Vascular Edothelial Growth Factor (VEGF). Although no drug has been shown to prevent replication of VEGF, drugs that neutralize VEGF once expressed in the eye are shown to prevent blindness in macular degeneration. Similarly, the drugs under development by Geneuro are known to neutralize the toxic envelope proteins of HERV K and HERV W.

Characteristic	HTLV-3	Human Endogenous Retroviruses (HERVs)
Retroviral DNA integrates into host chromosomes	Yes	Yes
Integration ordinarily occurs in somatic cells	Yes	No; inherited copies are present in the germline
Transmitted through sperm or egg DNA	Not demonstrated	Yes
Inherited according to Mendelian genetics	No evidence	Yes
Present in the general population's inherited genome	No	Yes
Evolutionary origin	Likely zoonotic transmission from primates	Ancient retroviral integration into ancestral germ cells

Figure 2: HTLV3, a modern retrovirus, compared to Human Endogenous Retroviruses

The illustration below from the Company's presentation at the Cantor Fitzgerald Health Care Conference illustrates the challenges to humanity posed by HERVs and the potential to cure previously mysterious devastating diseases.



GeNeuro, Inc. owns or co-owns 7 patent families with more than 150 patents granted or in prosecution.

Recent evidence demonstrates that when elements of HERVs aberrantly enter the "reading frame" and begin replicating in adult life, they may cause devastating neurodegenerative diseases. GeNeuro is developing GNK-301 for the treatment of ALS through its partnership with the U.S. National Institutes of Health ("NIH") through a Cooperative Research and Development Agreement (CRADA) and shared patents and has been selected in the first round of the 2026 Congressionally Directed Medical Research Program ("CDMRP"). GeNeuro, Inc. is additionally partnered through shared patents related to treatment of Schizophrenia with the Fondation FondaMental of France. GeNeuro owns patented monoclonal antibodies developed with more than EU 180 million of European investment funding to treat Amyotrophic Lateral Sclerosis ("ALS"), Multiple Sclerosis ("MS"), psychosis, and Type I diabetes ("T1D") that may be caused by Human Endogenous Retroviruses ("HERVs").

The formation of GeNeuro, though not its background, has previously been described briefly in the Company's filings. In 2022, NRx's founder Jonathan Javitt began a scientific collaboration with Prof. Marion Leboyer, MD, PhD, the Chair of Psychiatry at INSERM, a French University and the CEO of France's Fondation FondaMental. Prof. LeBover provided insight on a novel mechanism underlying schizophrenia, specifically the finding that 50% of patients entering French hospitals with psychosis demonstrate abnormal blood levels of a neurotoxic protein linked to Human Endogenous Retrovirus W, which serves as the viral envelope protein. This abnormal protein is found in only 2% of normal blood donors and is now known to disrupt the NMDA receptor, a molecular target with which NRx has considerable expertise. A monoclonal antibody to HERV W Envelope protein had been manufactured by GeNeuro, SA, headquartered in Geneva and advanced to the clinic for multiple sclerosis, long Covid, and Type I diabetes, but not for schizophrenia. A second monoclonal antibody, targeting the HERV K Envelope protein had been developed to treat ALS in partnership with the US National Institutes of Health.

Key Third Quarter Results

In the third quarter of 2026 and through the date of this Report, the Company achieved several operational, regulatory and financing milestones, including the following:

NeuroRx Pharmaceuticals: Sterile, Injectable Generic Products

- On October 29, 2026, the FDA approved the Company's Abbreviated New Drug Application, or ANDA, for preservative-free ketamine and gave the Company clearance to market the product with an initial two year labeled expiration date, which the Company aims to extend over the next year. The Company is the first supplier to obtain FDA approval of a Blow-Fill-Seal (BFS) manufactured presentation of ketamine. Unlike traditional glass bottling of sterile products, which incurred a unit cost of $3.50 per dose during the Company's prior experience during Covid, NRx has now demonstrated its capacity to manufacture at considerably lower cost with margins that rival those of innovative, rather than generic drugs, which typically exceed 80%. Ketamine, and similar sterile injectable products are frequently in drug shortage in the US. Management believes that the high cost of manufacture in glass bottles compared to the relatively low prices paid by hospitals have contributed to that shortage.

- In November 2026, we trained and certified a veteran 17 person sales force with existing coverage of more than 80% of the current $400 million US market for generic ketamine. Presales of the product have now been initiated with anticipated full scale units shipped in early January 2027. The salesforce has decades of experience in the sale of sterile injectable products to the hospital market. The Company anticipates net operating margins from sales of its ketamine product comparable to that of many innovative drug products.

- Notably, despite the absence of preservatives in the NRx product, no degradation of the ketamine active ingredient has been seen at any time point. The Company also completed three commercial-scale process validation lots in compliance with applicable good manufacturing practices and demonstrated its ability to manufacture at scale of approximately 550,000 units per manufacturing cycle. This affords the Company the potential to supply approximately 55 million units per year on its first FDA-qualified manufacturing line. The Company is in the process of qualifying a second FDA-approved manufacturing line of equal capacity.

- In September 2026 the Company contracted with Rommelag AG, a leading German supplier of Blow-Fill-Seal sterile manufacturing equipment to deliver an additional manufacturing line to West Columbia, South Carolina for the Company's use. This additional capacity will afford the Company the ability to manufacture in additional vial sizes and to add additional products.

- In September 2025, the Company submitted a Citizen Petition to the Secretary of Health and Human Services seeking to have the Benzethonium Chloride preservative removed from all marketed forms of ketamine. Ketamine is one of only two marketed drugs in the US that continues to use this preservative with known toxicity. As NRx continues to demonstrate an ability to supply sufficient ketamine to avoid any possibility of a drug shortage, the Company will continue to pursue the Citizen Petition.

NeuroRx Pharmaceuticals: Innovative Products

- The application for approval of NRX-100 was additionally affected by FDA's decision to examine the medical device aspects of the luer-lock connection that is incorporated in the NRX-100 drug vial. This matter was resolved in August 2026.

- NRX-101: An NDA filing for NRX-101 for its original indication of treating suicidal bipolar depression has been initiated with the submission of the Module 3 manufacturing file to the FDA. NRX-101 was previously granted Breakthrough Therapy Designation by the FDA, and the Company is requesting rolling review of the NDA. Breakthrough Therapy Designation is intended to facilitate the development and expedite the review of drugs intended to treat serious conditions where preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over available therapy. Based on the clinical data generated to date, the Company intends to seek FDA approval of NRX-101 for the treatment of patients with bipolar depression and suicidal ideation. The Company has now partnered with the Bipolar Action Network, led by Prof. Andrew Nirenberg of Harvard Mass General to conduct a confirmatory clinical trial.

- However, based on rapidly emerging data that demonstrate an enhancement of Transcranial Magnetic Stimulation by D-cyclosrine, DARPA has awarded the Company a contract to support a Phase 3 trial in this indication. On September 29, 2026, NRXD entered into a prime contract with DARPA to conduct the SPARC-TMS trial. The contract has an aggregate value of approximately $11.2 million, of which approximately $6.7 million has been obligated; additional funding is subject to appropriations and DARPA's exercise of funding options. Payments are made upon DARPA's acceptance of specified milestones, and either party may terminate the contract under certain circumstances, including if the program is determined unlikely to achieve its objectives.

- Based on these advances that emerged over the past year, the Company is advancing development of NRX-101 for use in combination with transcranial magnetic stimulation, or TMS. The FDA has authorized the Company to proceed with the SPARC-TMS clinical trial, a Phase 2b/3 study evaluating NRX-101 in combination with robotically controlled TMS in patients with treatment-resistant depression. In June 2026, the FDA also authorized an Intermediate Population Expanded Access Protocol for use of NRX-101 in combination with accelerated TMS for eligible patients who are unable to participate in the clinical trial. This contract is now in place and initial milestones have been met with an accepted invoice for approximately $2.2 million.

- Based on the DARPA support, we are additionally establishing a Cooperative Research and Development with the Uniformed Services Health Sciences University (USU) that will enable extension of the SPARC-TMS protocol to military treatment facilities including Walter Reed National Military Medical Center.

- The Company anticipates that success in the SPARC-TMS trial would be consistent with the filing of a New Drug Application for the use of NRX-101 to augment the effects of TMS, potentially providing the Company with a path to approval based on the provision of non-dilutive capital by the U.S. Department of War.

HOPE Therapeutics Advances

- HOPE has partnered with Neurocare AG (Munich) and Zeta Surgical (Boston) to develop the first robotic, neuro-navigated system for Transcranial Magnetic Stimulation. This has the potential to deliver a one day treatment for depression with substantial durability, particularly when combined with NRX-101. This treatment consists of robotic neuronavigation, or Rapid Robotic Transcranial Magnetic Stimulation (RRTMS) where an MRI scan is used to identify the areas of lost connectivity in the brain that may drive depression and proprietary software is used to focus the TMS coil on those treatment targets. HOPE Therapeutics treated the world's first RRTMS patients in Q3 in our Sarasota, FL location. Meaningful clinical improvement was seen, although formal measurement of improvement was deferred until the SPARC-TMS trial.

- During the third quarter of 2026, all HOPE clinic staff were trained in Good Clinical Practices in preparation for their participation in SPARC-TMS.

NRx Defense Systems Advances

- On September 29, 2026, NRx Defense Systems, Inc. ("NRXD"), a subsidiary of the Company, entered into a prime contract with the Defense Advanced Research Projects Agency, or DARPA, to conduct the Synaptic Plasticity Augmented Rapid Circuit Stimulation, or SPARC-TMS clinical trial evaluating NRX-101 in combination with robotically controlled transcranial magnetic stimulation for treatment-resistant depression. The contract has an aggregate value of approximately $11.2 million, of which approximately $6.7 million was initially obligated by DARPA, with additional funding subject to the availability of appropriations and DARPA's exercise of funding options. The contract has an 18-month performance period. The SPARC-TMS protocol has received FDA and Institutional Review Board approval. The Company is currently collaborating with other branches of the US military including the Uniformed Services Health Sciences University (USU) to broaden the collaboration to include several military treatment facilities.

- Depression, PTSD, and suicidality are 4x more prevalent in military personnel and first responders. Treatment of depression has become a "Force Readiness" issue for the Department of War and therefore a research priority for DARPA. As stated in the Prime Contract for the SPARC-TMS trial, use of traditional antidepressants (SSRI/SNRI) is not compatible with active service in the military. Similarly psychedelic drugs are unlikely to be compatible with active duty. Accordingly, the RRTMS protocol being developed under the NRXD prime contract has potential to become the standard of care for military personnel, first responders, and others.

- In the process of qualifying NRXD to serve as Prime Contractor for the SPARC-TMS project, the Company established security and cybersecurity clearances that qualify NRXD to participate in additional health-related Defense projects. Management expects NRXD to provide a net contribution margin to NRx Pharmaceuticals on a forward-looking basis.

GeNeuro Advances

- In June 2026, GeNeuro, Inc., a newly-formed Florida entity was awarded all assets of the former GeNeuro SA, by the Swiss liquidator, including all preclinical and clinical data, master cell lines, and more than 150 patents related to the use of anti-Human Endogenous Retrovirus antibodies to treat Central Nervous System diseases, including ALS, Multiple Sclerosis, and Schizophrenia. GeNeuro retained scientists previously employed by GeNeuro SA and reinstituted the collaborations with the Fondation FondaMental and the NIH. A month later, GeNeuro, Inc. passed the first selection round for the Congressional Directed Medical Research Program administered by the Department of War for potential funding of a clinical trial to treat ALS. GeNeuro is similarly in consideration by the Government of France to advance its work in Schizophrenia and has been qualified for funding by the Canton Government of Basel, Switzerland for resources to continue the work in MS and other neurodegenerative diseases.

- In August 2026 GeNeuro, Inc., initiated GMP manufacturing of GNK-301, its antibody against the HERV K Envelope protein and currently anticipates initiating Phase 1 clinical trials in patients with ALS in the United States and Europe in the second half of 2027. GeNeuro and the U.S. National Institute of Neurological Disorders and Stroke were also selected in the first round of the Congressionally Directed Medical Research Programs process for potential funding relating to therapeutic and biomarker development in ALS.

- GeNeuro similarly initiated GMP manufacture of Temelimab, its antibody against HERV W Envelope protein, which has demonstrated decreased neurodegeneration compared to placebo in a placebo-controlled trial in Relapsing, Remitting Multiple Sclerosis. HERV W Envelope protein has been detected in approximately 50% of patients presenting to European psychiatric hospitals with acute schizophrenia and is now known to disrupt the brain's NMDA receptor. NMDA blockade, first described by NRx's cofounder Daniel Javitt, PhD, MD in 1987 is well-known to cause psychosis and is the mechanism that underlies phencyclidine (angel dust) – induced psychosis and anti-NMDA antibody-induced psychosis. GeNeuro has patented this mechanism of action together with the Fondation FondaMental of Paris and anticipates initiating a Phase 2/3 trial of Temelimab in the treatment of psychosis with European support in late 2027.

Overview of GeNeuro-based Activities

Human Endogenous Retroviruses ("HERVs") and their potential role in the pathogensis of CNS disease began to be appreciated around 2010 and the science is not widely known. The majority of the HERV literature related to ALS has emanated from the US National Institutes of Health, while the literature related to Multiple Sclerosis and Schizophrenia has emanated from ItemEurope and the United Kingdom. NRx's involvement in this area began with its collaboration with the Fondation FondaMental and its CEO, Prof. Marion Leboyer, who serves as a member of the NRx advisory board. Prof. Leboyer together with Dr. Herve Perron first recognized the potential role of Human Endogenous Retrovirus (HERV-W) in causing schizophrenia and the potential role of an anti HERV-W envelope protein antibody as a disease-modifying drug to treat schizophrenia and other forms of psychosis. (U.S. patent application 2024/0301040 A1). The antibody was developed by a French biotechnology company owned by GeNeuro, SA, which was involved in a liquidation following a failed Covid-related clinical trial. The schizophrenia patent is jointly owned with Fondation FondaMental.

In parallel with the above work, the Company established a Cooperative Research and Development Agreement with the National Institute for Neurologic Diseases and Stroke (NINDS) of the US National Institutes of Health (NIH) to explore the role of HERV K Envelope Protein in the pathogenesis of ALS and the potential role of anti-HERV K antibody in treating ALS. The patent related to ALS (U.S. 10,723,787 B2) was co-invented with the US National Institutes of Health and shared under an intellectual property agreement. Dr. Herve Perron, formerly Chief Scientist of GeNeuro has joined the Company's initiative as its Chief Scientific Advisor.

In May 2026, the Company was advised by Swiss authorities that NRx was the winning bidder in a liquidation sale of the GeNeuro assets. These assets include a broad patent portfolio and related cell lines, antibodies, regulatory files, and data from three completed human clinical trials. The GeNeuro portfolio offers potential treatments for Amyelotrophic Lateral Sclerosis (ALS), Multiple Sclerosis, Schizophrenia, Autism, Optic Neuritis, and Type I Diabetes. The acquisition of the GeNeuro assets was finalized during Q2 of 2026 and the Company anticipates supporting GeNeuro through investment channels that are not dilutive to core NRx investors. GeNeuro has already won two first-round selections for the 2026 Congressionally Directed Medical Research Program (CDMRP) and has been invited to submit final proposals.

GeNeuro, Inc. has now initiated manufacturing of human-grade GNK-301 (anti-HERV-K envelope protein antibody) for a planned First in Human trial in patients with ALS targeted to commence in July 2027.

Financing

In May 2025, the Company reinstated the at-the-market offering and increased the maximum aggregate offering amount and filed a prospectus supplement under the offering agreement for an aggregate of $20,000,000. During the year ended December 31, 2025, the Company sold an aggregate of 2,277,177 shares of common stock for approximately $6.54 million, net of $0.2 million in offering costs. During the three and nine months ended September 30, 2025, the aggregate net cash proceeds to the Company from the at-the-market offering were approximately $3.7 million and $4.8 million. During the three and nine months ended September 30, 2026, the aggregate net cash proceeds to the Company from the at-the-market offering were approximately $0 and $11.8 million, respectively.

On June 4, 2026, the Company completed an underwritten public offering of 6,378,942 shares of its common stock at a public offering price of $3.50 per share, which included the exercise of the underwriters' over-allotment option. The Company received net proceeds of approximately $20.7 million after deducting underwriting discounts, commissions, and other offering expenses.

Pursuant to the Anson Purchase Agreement, on January 28, 2025, the Company issued $5.4 million of Third Tranche Anson Notes at an 8% original issue discount for total cash proceeds of approximately $5.0 million. On August 18, 2025, the Company entered into the Second RD Purchase Agreement with certain accredited investors for the sale of an aggregate of 3,959,999 shares of common stock, at a purchase price of $1.65 per share. The Second Registered Direct Offering closed on August 18, 2025, and resulted in net proceeds of approximately $6.2 million, after deducting placement agent fees and other offering-related expenses of approximately $0.3 million. On September 30, 2025, the 1,870,960 shares underlying Anson Warrants were exercised for cash proceeds of $3.09 million.

Activities of NRXD to date have been funded by government contracts.

Activities of GeNeuro, Inc., are anticipated to be funded by a combination of public and private capital.

Although no assurances can be given, management believes that it will be able to secure necessary financing to support and execute its business plan and achieve its projected revenue objectives.

Since inception, the Company has incurred significant operating losses. For the three months ended September 30, 2026 and 2025, the Company's net loss was $2.2 million and $5.9 million, respectively. For the nine months ended September 30, 2026 and 2025, the Company's net loss was $20.1 million and $29.00 million, respectively. As of September 30, 2026, the Company had an accumulated deficit of $327.0 million, a stockholders' deficit of $2.0 million and a working capital deficit of $7.0 million.

Going Concern

Although the Company is entering its first quarter of commercial drug sales, the Company's ongoing clinical activities have heretofore generated losses from operations. Some losses were associated with delays in obtaining insurance billing authorization for newly established HOPE clinics, a condition that has now been rectified. Should future activities continue to generate losses and net cash outflows from operations. The Company plans to pursue additional equity or debt financing or refinancing opportunities to fund ongoing clinical activities, and for the general corporate purposes of the Company. Such arrangements may take the form of loans, equity offerings, strategic agreements, licensing agreements, joint ventures, or other agreements. The sale of equity could result in additional dilution to the Company's existing stockholders. The Company cannot make any assurances that revenues from commercial drug sales and from clinical services provided by HOPE Therapeutics will be sufficient to fund operations or that additional financing will be available to it and, if available, on acceptable terms, or that it will be able to refinance its existing debt obligations which could negatively impact the Company's business and operations and could also lead to a reduction in the Company's operations. The Company will continue to carefully monitor the impact of its continuing operations on its working capital needs and debt repayment obligations. As such, the Company has concluded that until the volume of commercial sales and its growth trajectory can be established, doubt exists about the Company's ability to continue as a going concern for a period of at least twelve months from the date of issuance of these consolidated financial statements. The Company may raise substantial additional funds, and if it does so, it may do so through one or more of the following: issuance of additional debt or equity and/or the completion of a licensing or other commercial transaction for one of the Company's product candidates.

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the ordinary course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

Additionally, amounts associated with the DARPA contract were not recognized during the reporting period because the applicable contractual milestones were not achieved until the subsequent reporting period. Consequently, the operating loss reported for the period does not reflect the financial impact associated with the subsequent achievement of these milestones.

Components of Results of Operations

Revenue

The Company recognizes patient service revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. Revenue is recognized as performance obligations are satisfied, which occurs over time as patients simultaneously receive and consume the benefits of the services provided. Each treatment or visit generally represents a separate contract.

Procedural services, such as ketamine infusions, esketamine administration, TMS sessions, and SGB/epidural procedures, are recognized at the point in time when services are rendered.

For the three and nine months ended September 30, 2026, the Company recorded total revenue of approximately $1.2 million and $3.3 million, respectively, which mostly was attributable to patient services provided by Dura following its acquisition on September 8, 2025. Prior to the acquisition, the Company did not generate revenue as it was in the development stage and primarily focused on corporate formation, financing, and acquisition-related activities.

The initial post-acquisition revenue reflects only a partial period of operations and therefore is not indicative of the Company's expected ongoing revenue levels. Management anticipates that revenue will increase in subsequent periods as Dura's operations are fully integrated and additional clinical capacity, patient volume, insurance reimbursement and service lines are expanded under the Company's ownership.

Operating Expenses

Cost of patient services

Cost of patient services consists primarily of direct expenses associated with providing healthcare services, including salaries and benefits for clinical personnel, medical supplies, pharmaceuticals, and other costs directly attributable to patient care. These costs are expensed as incurred.

For the three and nine months ended September 30, 2026, cost of patient services related solely to operations of Dura following the Company's acquisition on September 8, 2025. Given the limited period of post-acquisition operations, current cost levels are not representative of the Company's expected ongoing operating costs. Management anticipates that cost of patient services will increase in proportion with the expected growth in patient volumes and expansion of clinical activities in future periods.

Research and development expense

The Company's research and development expense consists primarily of costs associated with the Company's clinical trials, salaries, payroll taxes, employee benefits, and equity-based compensation charges for those individuals involved in ongoing research and development efforts. Research and development costs are expensed as incurred. Advance payments for goods and services that will be used in future research and development activities are expensed when the activity has been performed or when the goods have been received.

Selling, general and administrative expense

Selling, general and administrative expenses consist primarily of salaries, stock-based compensation, consultant fees, and professional fees for legal and accounting services.

Settlement (income) expense

Settlement (income) expense during the three and nine months ended September 30, 2026, consists of amounts related to the resolution of legal claims and income recognized from the reduction of previously accrued settlement liabilities, as certain matters were settled for less than originally estimated.

Results of operations for the three months ended September 30, 2026 and 2025

The following table sets forth the Company's selected statements of operations data for the following periods (in thousands):

	September 30,		Change in Dollars
	2026	2025	
Net patient service revenue	$ 1,159	$ 242	$ 917
Operating expense:			
Cost of patient services	874	97	777
Research and development	1,808	1,429	379
Selling, general and administrative	6,560	2,808	3,752
Depreciation and amortization	62	26	36
Settlement expense	—	(94)	94
Total operating expense	9,304	4,266	5,038
Loss from operations	(8,145)	(4,024)	(4,121)
Other expense (income):			
Interest income	(4)	(2)	(2)
Interest expense	239	—	239
Change in fair value of convertible note payable	—	1,502	(1,502)
Change in fair value of warrant liabilities	(6,204)	4,963	(11,167)
Loss on convertible note conversions	—	772	(772)
Gain on exercise of warrants	—	(5,369)	5,369
Income from equity method investments	(1)	—	(1)
Total other expense	(5,970)	1,866	(7,836)
Net loss	$ (2,175)	$ (5,890)	$ 3,715

Net patient service revenue

For the three months ended September 30, 2026 and 2025, the Company recorded $1.2 million and $0.2 million, respectively, in net patient service revenues from the clinical services provided by Dura following the acquisition on September 8, 2025.

Operating expense

Cost of patient services

For the three months ended September 30, 2026, the Company recorded $0.9 million in costs of patient services, as compared to $0.1 million incurred during the three months ended September 30, 2025. This increase is attributed to the acquisition of Dura on September 8, 2025.

Research and development expense

For the three months ended September 30, 2026, the Company recorded $1.8 million of research and development expense, as compared to approximately $1.4 million for the three months ended September 30, 2025. The increase of $0.4 million is primarily related to a $0.3 million increase in research and development salaries and $0.4 million increase in clinical trials and development, partially offset by a decrease of $0.3 million of contractor costs. The research and development expense for each of the three months ended September 30, 2026 and 2025, includes less than $0.1 million of non-cash stock-based compensation.

Selling, general and administrative expense

For the three months ended September 30, 2026, the Company recorded $6.6 million of selling, general and administrative expense, as compared to approximately $2.8 million for the three months ended September 30, 2025. The increase of $3.7 million is related primarily to an increase of $1.3 million in employee costs, $0.5 million in contractor costs, $0.4 million in legal fees, and $0.7 million in marketing costs. Selling, general and administrative expense includes $0.2 million and less than $0.1 million of non-cash stock-based compensation for the three months ended September 30, 2026 and 2025, respectively.

Settlement expense (income)

For the three months ended September 30, 2026, the Company recognized a settlement loss of $0. The Company recorded $0.1 million in settlement gains during the three months ended September 30, 2025. These gains consisted of amounts related to the resolution of legal claims and income recognized from the reduction of previously accrued settlement liabilities, as certain matters were settled for less than originally estimated.

Depreciation and amortization

Depreciation and amortization expense increased to $62 thousand for the three months ended September 30, 2026, compared to $26 thousand for the same period in 2025, primarily due to the recognition of depreciation and amortization on property and equipment and intangible assets acquired in the Dura acquisition completed in September 2025.

Other expense (income)

Interest income

For the three months ended September 30, 2026, the Company recorded less than $0.1 million of interest income, as compared to less than $0.1 million of interest income for the three months ended September 30, 2025.

Interest expense

For the three months ended September 30, 2026, the Company recorded $0.2 million of interest expense related to accrued interest on the refund liability arising from the termination of the License Agreement with Alvogen. For the three months ended September 30, 2025, the Company recorded $0 of interest expense.

Change in fair value of convertible notes payable

For three months ended September 30, 2026, the Company recorded a loss of $0 related to the change in fair value of the convertible notes payable which are accounted for under the fair value option. For the three months ended September 30, 2025, the Company recorded a loss of $1.5 million related to the change in fair value of the convertible note payable which is accounted for under the fair value option.

Change in fair value of warrant liabilities

For the three months ended September 30, 2026, the Company recorded a gain of $6.2 million related to the change in fair value of the warrant liabilities, as compared to a loss of $5.0 million for the three months ended September 30, 2025. The gain recognized during the 2026 period was primarily attributable to changes in the Company's common stock price, which impacted the fair value of the outstanding warrant liabilities.

Loss on convertible note conversions

For the three months ended September 30, 2026, the Company recorded a loss of $0 related to convertible note conversion, as compared to a loss of $0.8 million during the three months ended September 30, 2025. These conversions were calculated as the difference between the conversion price per the terms of the Anson first tranche senior secured convertible notes agreements relative to the fair value of the common stock on the date of conversion as described further under Note 9 in the accompanying unaudited condensed consolidated financial statements.

Gain on exercise of warrants

For the three months ended September 30, 2026 and 2025, the Company recorded $0 and $5.4 million gain on the exercise of Anson warrants, resulting from the settlement of warrant liabilities for exercised warrants, respectively (See Note 11 in the accompanying unaudited condensed consolidated financial statements).

Income from equity investments

For the three months ended September 30, 2026, the Company recorded a gain of less than $0.1 million related to its investment in Cohen & Associates LLC, which is recorded at cost and adjusted for the Company's proportionate share of Cohen & Associates' net income or loss. Please see Note 18 in the accompanying unaudited condensed consolidated financial statements for further information on the investment in Cohen & Associates.

Results of operations for the nine months ended September 30, 2026 and 2025

The following table sets forth the Company's selected statements of operations data for the following periods (in thousands):

	September 30,		Change in Dollars
	2026	2025	
Net patient service revenue	$ 3,328	$ 242	$ 3,086
Operating expense:			
Cost of patient services	2,180	97	2,083
Research and development	5,233	3,219	2,014
Selling, general and administrative	15,118	8,492	6,626
Depreciation and amortization	196	28	168
Settlement (income) expense	(3)	6	(9)
Total operating expense	22,724	11,842	10,882
Loss from operations	(19,396)	(11,600)	(7,796)
Other expense (income):			
Interest income	(15)	(8)	(7)
Interest expense	708	—	708
Change in fair value of convertible note payable	—	8,032	(8,032)
Change in fair value of warrant liabilities	42	8,481	(8,439)
Loss on issuance of Registered Direct Offering	—	730	(730)
Loss on Consideration Shares and Warrants	—	1,277	(1,277)
Loss on convertible note conversions	—	4,239	(4,239)
Gain on exercise of warrants	—	(5,369)	5,369
Income from equity method investments	(6)	—	(6)
Total other expense	729	17,382	(16,653)
Loss before tax	(20,125)	(28,982)	8,857
Net loss	$ (20,125)	$ (28,982)	$ 8,857

Net patient service revenue

For the nine months ended September 30, 2026 and 2025, the Company recorded $3.3 million and $0.2 million in net patient service revenues from the clinical services provided by Dura following the acquisition on September 8, 2025.

Operating expense

Cost of patient services

For the nine months ended September 30, 2026, the Company recorded $2.2 million in costs of patient services, as compared to $0.1 million incurred during the nine months ended September 30, 2025. This increase can be attributed to the acquisition of Dura on September 8, 2025.

Research and development expense

For the nine months ended September 30, 2026, the Company recorded $5.2 million of research and development expense, as compared to approximately $3.2 million for the nine months ended September 30, 2025. The increase of $2.0 million is primarily related to a $1.3 million increase in clinical trials and development, a $0.9 million increase in patent expenses, and a $0.4 million increase in research & development salaries, partially offset by a $0.7 million decrease in contractor costs. The research and development expense for each of the nine months ended September 30, 2026 and 2025, includes less than $0.1 million of non-cash stock-based compensation.

Selling, general and administrative expense

For the nine months ended September 30, 2026, the Company recorded $15.1 million of selling, general and administrative expense, as compared to approximately $8.5 million for the nine months ended September 30, 2025. The increase of $6.6 million is related primarily to an increase of $2.3 million in employee costs, $1.4 million in contractor costs, and $1.1 million in marketing costs. Selling, general and administrative expense includes $0.4 million and $0.1 million of non-cash stock-based compensation for the nine months ended September 30, 2026 and 2025, respectively.

Settlement expense (income)

For the nine months ended September 30, 2026, the Company recognized a settlement income of less than $0.1 million resulting from certain legal matters that were settled in 2026. The Company recorded less than $0.1 million in settlement losses during the nine months ended September 30, 2025.

Depreciation and amortization

Depreciation and amortization expense increased to $0.2 million for the nine months ended September 30, 2026, compared to less than $0.1 million for the same period in 2025, primarily due to the recognition of depreciation and amortization on property and equipment and intangible assets acquired in the Dura acquisition completed in September 2025.

Other expense (income)

Interest income

For the nine months ended September 30, 2026, the Company recorded less than $0.1 million of interest income, as compared to less than $0.1 million of interest income for the nine months ended September 30, 2025.

Interest expense

For the nine months ended September 30, 2026, the Company recorded $0.7 million of interest expense related to accrued interest on the refund liability arising from the termination of the License Agreement with Alvogen. For the nine months ended September 30, 2025, the Company recorded $0 of interest expense.

Change in fair value of convertible notes payable

For nine months ended September 30, 2026, the Company recorded a loss of $0 related to the change in fair value of the convertible notes payable which are accounted for under the fair value option. For the nine months ended September 30, 2025, the Company recorded a loss of $8.0 million related to the change in fair value of the convertible note payable which is accounted for under the fair value option.

Change in fair value of warrant liabilities

For the nine months ended September 30, 2026, the Company recorded a loss of less than $0.1 million related to the change in fair value of the warrant liabilities, as compared to a loss of $8.5 million for the nine months ended September 30, 2025. The decrease in loss during the nine months ended September 30, 2026 is attributable to the warrants issued in conjunction with the First, Second and Third Tranches of the Anson Notes, additional shares of Anson Warrants issued as a result anti-dilutive provision, as well as increase in the Company’s stock prices.

Loss on convertible note conversions

For the nine months ended September 30, 2026, the Company recorded a loss of $0 related to convertible note conversion, as compared to a loss of $4.2 million during the nine months ended September 30, 2025. These conversions were calculated as the difference between the conversion price per the terms of the Anson first tranche senior secured convertible notes agreements relative to the fair value of the common stock on the date of conversion as described further under Note 9 in the accompanying unaudited condensed consolidated financial statements.

Gain on exercise of warrants

For the nine months ended September 30, 2026 and 2025, the Company recorded $0 and $5.4 million gain on the exercise of Anson warrants, resulting from the settlement of warrant liabilities for exercised warrants, respectively (See Note 11 in the accompanying unaudited condensed consolidated financial statements).

Income from equity investments

For the nine months ended September 30, 2026, the Company recorded a gain of less than $0.1 million related to its investment in Cohen & Associates LLC, which is recorded at cost and adjusted for the Company's proportionate share of Cohen & Associates' net income or loss. Please see Note 18 in the accompanying unaudited condensed consolidated financial statements for further information on the investment in Cohen & Associates.

Liquidity and capital resources

The Company has generated minimal revenues, has incurred operating losses since inception, expects to continue to incur significant operating losses for the foreseeable future and may never become profitable. Until such time as the Company is able to establish a significant revenue stream from the sale of its therapeutic products, it is dependent upon obtaining necessary equity and/or debt financing to continue operations. The Company cannot make any assurances that sales of KETAFREE™, NRX-100, and/or NRX-101 will commence in the near term, revenue from clinics will grow, or that additional financings will be available to it on acceptable terms or at all. This could negatively impact our business and operations and could also lead to the reduction of our operations.

At-The Market Offering Agreement

On April 15, 2024, the Company increased the maximum aggregate offering amount of the shares of common stock issuable under that certain at-the-market offering agreement, dated August 14, 2023 (the "Offering Agreement"), with H.C. Wainwright & Co., and filed a prospectus supplement under the Offering Agreement for an aggregate of $4.9 million (the "ATM Offering"). On August 14, 2024, the Company reduced the amount under the Offering Agreement to $0 and suspended the ATM Offering. On April 17, 2025, the Company reinstated the ATM Offering and filed a prospectus supplement under the Offering Agreement for an aggregate of $20 million.

During the nine months ended September 30, 2026, the Company received aggregate net cash proceeds from the ATM Offering of approximately $11.8 million .

Cash Flow

The following table presents selected financial information and statistics for each of the periods shown below:

	September 30, 2026	December 31, 2025
Balance Sheet Data:		
Cash	$ 19,822	$ 7,797
Total assets	27,815	12,956
Total liabilities	29,801	28,893
Total stockholders' deficit	(1,987)	(15,937)

	Nine Months Ended September 30,	
	2026	2025
Statement of Cash Flow Data:		
Net cash used in operating activities	$ (19,882)	$ (10,401)
Net cash used in investing activities	(896)	(2,561)
Net cash provided by financing activities	32,804	18,701
Net increase in cash	$ 12,025	$ 5,741

Operating Activities

During the nine months ended September 30, 2026, operating activities used approximately $19.9 million of cash, primarily resulting from a net loss of $20.1 million partially offset by net non-cash gain of $2.2 million, and partially increased by changes in operating assets and liabilities that used $2.0 million. The non-cash charges consisted primarily of $1.1 million of common stock issued in exchange for services, $0.5 million of stock-based compensation, $0.3 million of amortization of operating right-of-use assets, $0.2 million of depreciation and amortization, and $0.1 million of other items. The use of cash from changes in operating assets and liabilities consisted primarily of a $1.3 million increase in prepaid expense and other assets, and a $0.7 million net decrease from lower lease liabilities, accounts payable, accrued expenses, and other items, net of a change in accounts receivable.

During the nine months ended September 30, 2025, operating activities used approximately $10.4 million of cash, primarily resulting from a net loss of $29.0 million partially offset by net non-cash losses of $18.5 million, including $8.5 million in change in fair value of warrant liabilities, $8.0 million in change in fair value of convertible promissory notes, $0.2 million of stock-based compensation, $4.2 million loss in convertible note conversion, $1.3 million of loss on Consideration Shares and Warrants, $0.4 million in debt issuance costs, $0.7 million in loss on issuance of Registered Direct Offering, $5.4 million gain on exercise of warrant liabilities and changes in operating assets and liabilities of less than $0.1 million.

Investing Activities

Net cash used in investing activities was $0.9 million for nine months ended September 30, 2026, compared to no cash used in investing activities during the comparable period in 2025. The outflows in the current period were primarily related to capital expenditure for purchase of property and equipment.

Net cash used in investing activities was $2.6 million for the nine months ended September 30, 2025, compared to no cash used in investing activities during the comparable period in 2024. The outflows in the current period were primarily related to the cash consideration paid in connection with the acquisition of Dura, net of cash acquired. The Company did not incur any significant capital expenditure during either period.

Financing Activities

During the nine months ended September 30, 2026, financing activities provided $20.7 million in proceeds from the issuance of a common stock in a confidentially marketed public offering, $11.8 million in proceeds from issuance of common stock in ATM Offering, and $0.5 million in proceeds from the issuance of an insurance loan, partially offset by a repayment of insurance notes of $0.2 million.

During the nine months ended September 30, 2025, financing activities provided $18.7 million of cash resulting from $9.4 million in proceeds from issuance of common stock and warrants related to the RD Offering and $5.0 million in proceeds from the Anson Notes, $4.8 million in proceeds from issuance of common stock in connection with ATM offering, offset by $0.4 million in repayments of and by $0.2 million of proceeds from insurance notes, and $0.2 million in debt issuance costs due to the fair value election on Anson Notes.

Contractual Obligations and Commitments

See Note 9, Debt, and Note 10, Commitments and Contingencies, of the notes to the Company's consolidated financial statements as of and for the nine months ended September 30, 2026 included elsewhere in this report for further discussion of the Company's commitments and contingencies.

Milestone Payments

Pursuant to the legal settlement with Sarah Herzog Memorial Hospital Ezrat Nashim ("SHMH") in September 2018, which included the license of intellectual property rights from SHMH, an ongoing royalty of 1% to 2.5% of NRX-101 gross sales is due to SHMH, together with milestone payments of $0.3 million, upon completion of phase 3 trials and commercial sale of NRX-101. The milestone payments for developmental and commercial milestones range from $0.1 million to $0.8 million. Annual maintenance fees are up to $0.2 million.

Dura Acquisition

Pursuant to the Dura purchase agreement, the Company may be required to pay up to $3.0 million in contingent earn-out payments based on EBITDA performance during the first three years following closing of the acquisition. Payments are subject to the seller's continued employment and are prorated based on actual results achieved. The purchase price is also subject to customary post-closing adjustments for working capital, cash, and indebtedness.

Off-Balance Sheet Arrangements

The Company is not party to any off-balance sheet transactions. The Company has no guarantees or obligations other than those which arise out of normal business operations.

Critical Accounting Policies and Significant Judgments and Estimates

The Company's management's discussion and analysis of its financial condition and results of operations is based on its financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP"). The preparation of these financial statements requires NRx to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported amounts of expenses during the reporting period. In accordance with GAAP, NRx evaluates its estimates and judgments on an ongoing basis. The most critical estimates relate to stock-based compensation, the valuation of warrants, and the valuation of convertible notes payable. NRx bases its estimates and assumptions on current facts, historical experiences, and various other factors that NRx believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company defines its critical accounting policies as those accounting principles that require it to make subjective estimates and judgments about matters that are uncertain and are likely to have a material impact on its financial condition and results of operations, as well as the specific manner in which the Company applies those principles. While its significant accounting policies are more fully described in Note 2 to its financial statements, the Company believes the following are the critical accounting policies used in the preparation of its financial statements that require significant estimates and judgments.

Stock-based Compensation

We measure stock option awards granted to employees and directors based on the fair value of the award on the date of the grant and recognize compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. For restricted stock awards, the grant date fair value is the fair market value per share as of the grant date based on the closing trading price for the Company's stock. The straight-line method of expense recognition is applied to awards with service-only conditions. We account for forfeitures as they occur.

We estimate the fair value of each stock option award using the Black-Scholes option-pricing model, which uses as inputs the fair value of our common stock and assumptions we make for the volatility of our common stock, the expected term of our stock-based awards, the risk-free interest rate for a period that approximates the expected term of our stock-based awards, and our expected dividend yield. Therefore, we estimate our expected volatility based on the implied volatility of publicly traded warrants on our common stock and historical volatility of a set of our publicly traded peer companies. We estimate the expected term of our options using the "simplified" method for awards that qualify as "plain-vanilla" options. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that we have never paid cash dividends on common stock and do not expect to pay any cash dividends in the foreseeable future.

The assumptions used in determining the fair value of stock-based awards represent reasonable estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates, our stock-based compensation expense could be materially different in the future.

Warrant Liabilities

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ASC Topic 480, Distinguishing Liabilities from Equity ("ASC 480") and ASC 815, Derivatives and Hedging ("ASC 815"). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock and whether the warrant holders could potentially require "net cash settlement" in a circumstance outside of the Company's control, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

For issued or modified warrants that meet all of the criteria for equity classification, the warrants are required to be recorded as a component of additional paid-in capital at the time of issuance. For issued or modified warrants that do not meet all the criteria for equity classification, the warrants are required to be recorded at their initial fair value on the date of issuance, or date of modification, and each balance sheet date thereafter. Changes in the estimated fair value of the warrants are recognized as a non-cash gain or loss on the statements of operations. The fair value of the Private Placement Warrants, Anson Warrants, Consideration Warrants, and Anson Registered Direct Offering Warrants were estimated using a Black-Scholes valuation approach and the fair value of the Substitute Warrants was estimated using a modified Black Scholes valuation approach which applies a probability factor based on the earnout cash milestone and earnout shares milestone probabilities of achievement at each reporting period.

Convertible Notes Payable

As permitted under ASC Topic 825, Financial Instruments ("ASC 825"), the Company elects to account for its convertible promissory notes, which meets the required criteria, at fair value at inception and at each subsequent reporting date. Subsequent changes in fair value are recorded as a component of non-operating loss in the consolidated statements of operations. As a result of electing the fair value option, direct costs and fees related to the convertible promissory notes are expensed as incurred.

The Company estimates the fair value of the convertible notes payable using a Monte Carlo simulation model, which uses as inputs the fair value of our common stock and estimates for the equity volatility and volume volatility of our common stock, the time to expiration (i.e. expected termination date) of the convertible note, the risk-free interest rate for a period that approximates the time to expiration, and probability of default. Therefore, we estimate our expected future equity and volume volatility based on the historical volatility of both our common stock utilizing a lookback period consistent with the time to expiration. The time to expiration is based on the contractual maturity date, giving consideration to the mandatory and potential accelerated redemptions beginning six months from the issuance date. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of measurement for time periods approximately equal to the time to expiration. Probability of default is estimated using Bloomberg's Default Risk function which uses our financial information to calculate a default risk specific to the Company.

The assumptions used in determining the fair value of the convertible note payable represent reasonable estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates, the change in fair value of the convertible note payable recorded to other (income) expense could be materially different in the future.

Purchase Price Allocation

We account for business combinations in accordance with ASC Topic 805, Business Combinations, which requires that the assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date and that the excess of consideration transferred over the fair value of net identifiable assets be recorded as goodwill.

The allocation of the purchase price to tangible assets (clinic equipment, leasehold improvements) and identifiable intangible assets (e.g., contracts, clinic trade names) and liabilities assumed (e.g., assumed leases, employee benefit obligations) is based on management's estimate of fair value as of the acquisition date. This allocation process is considered a critical accounting estimate due to the significant judgments and assumptions inherent in determining the estimated fair values, including the selection of valuation methods (e.g., relief from royalty, multi-period excess earnings, replacement cost), discount rates, expected future cash flows, attrition rates, and useful lives of intangible assets. For the Dura acquisition, the estimated useful lives of acquired intangible assets ranged from 3 to 8 years, and discount rates applied ranged from 12% to 15%. Subsequent adjustments, within the one-year measurement period, may be made as additional information becomes available regarding facts and circumstances that existed at the acquisition date.

Goodwill

Goodwill recorded in connection with Dura acquisitions is attributable to the assembled workforce, anticipated growth in the Florida region, and synergies expected from integrating the clinics into our existing operations. Goodwill is not amortized but is subject to annual impairment testing and more frequently if indicators of impairment exist. We test goodwill for impairment for its reporting units on an annual basis, or when events occur, or when circumstances indicate the fair value of a reporting unit is below its carrying value.

We perform our annual goodwill impairment assessment on December 31st of each year or as impairment indicators dictate.

When evaluating the potential impairment of goodwill, management first assess a range of qualitative factors, including but not limited to, macroeconomic conditions, industry conditions, the competitive environment, changes in the market for our products and services, regulatory and political developments, entity specific factors such as strategy and changes in key personnel, and the overall financial performance for each of our reporting units. If, after completing this assessment, it is determined that it is more likely than not that the fair value of a reporting unit is less than its carrying value, we then proceed to the impairment testing methodology using an appropriate valuation method.

We compare the carrying value of the reporting unit, including goodwill, with its fair value, as determined by its estimated discounted cash flows. If the carrying value of a reporting unit exceeds its fair value, then the amount of impairment to be recognized is recognized as the amount by which the carrying amount exceeds the fair value.

When required, we may arrive at our estimates of fair value using a discounted cash flow methodology which includes estimates of future cash flows to be generated by specifically identified assets, as well as selecting a discount rate to measure the present value of those anticipated cash flows. Estimating future cash flows requires significant judgment and includes making assumptions about projected growth rates, industry-specific factors, working capital requirements, weighted average cost of capital, and current and anticipated operating conditions. The use of different assumptions or estimates for future cash flows could produce different results.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act, designed to ensure that information required to be disclosed in our reports filed pursuant to the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

In designing and evaluating the disclosure controls and procedures, we recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and we were required to apply our judgment in evaluating the cost-benefit relationship of possible controls and procedures. We have carried out an evaluation as of September 30, 2026 under the supervision, and with the participation, of our management, including our Chief Executive Officer (who serves as our principal executive officer) and our Chief Financial Officer (who serves as our principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026 in providing reasonable assurance of achieving the desired control objectives.

(b) Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal controls over financial reporting that occurred during the three and nine months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company continues to review its disclosure controls and procedures, including its internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that the Company's systems evolve with its business.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10, Commitments and Contingencies, of the notes to the Company's unaudited condensed consolidated financial statements as of and for the nine months ended September 30, 2026 included elsewhere in this report for further discussion of certain legal proceedings in which we are involved.

Item 1A. Risk Factors

We have disclosed the risk factors that materially affect our business, financial condition, or results of operations under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 23, 2026 (the "*Annual Report on Form 10-K*"). Except as set forth below, there have been no material changes from the risk factors previously disclosed. You should carefully consider the risk factors set forth in the Annual Report on Form 10-K and other information set forth elsewhere in this Quarterly Report on Form 10-Q. You should be aware that these risk factors and other information may not describe every risk that we face. Additional risks and uncertainties not currently known to us, or that we currently deem to be immaterial, or may not be able to assess, also may materially adversely affect our business, financial condition, and/or operating results.

Our contract with DARPA may not be fully funded, may be terminated before completion and subjects us to additional government contracting requirements, any of which could adversely affect our business and financial results.

On September 29, 2026, our subsidiary, NRx Defense Systems, Inc., entered into a prime contract with the Defense Advanced Research Projects Agency, or DARPA, to conduct the SPARC-TMS clinical trial. Although the contract has an aggregate value of approximately $11.2 million, only approximately $6.7 million has been initially obligated by DARPA. Additional funding is subject to, among other things, the availability of government appropriations and DARPA's exercise of additional funding options, and there can be no assurance that the remaining contract value will ever be funded.

In addition, payments under the contract are contingent upon the achievement and acceptance of specified program milestones. We may incur costs in performing under the contract before receiving payment, and DARPA may determine that a milestone has not been satisfactorily achieved or accepted, which could delay or reduce payments to us. The contract may also be terminated under certain circumstances, including if the program is determined unlikely to achieve its intended objectives. If the contract is terminated, reduced in scope, not fully funded or if payments are delayed or withheld, we may not receive the amount of funding currently anticipated and may be required to fund portions of the SPARC-TMS program from other sources, reduce or delay the program or otherwise modify our development plans.

As a government contractor, we are also subject to contractual and regulatory requirements applicable to U.S. government contracts, which may include audit and recordkeeping requirements, restrictions relating to the use and disclosure of technical data and computer software, intellectual property and data-rights provisions, cybersecurity and security requirements, and other compliance obligations. Our failure to comply with these requirements could result in the withholding or recovery of payments, termination of the contract, damages, penalties, suspension or debarment from future government contracting opportunities or other adverse consequences. In addition, government contracting requirements may increase our costs of compliance and divert management resources. Any of these events could adversely affect our business, financial condition, results of operations and development of NRX-101.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

No unregistered sales of equity securities occurred during the three and nine months ended September 30, 2026 that were not previously reported.

Item 3. Defaults Upon Senior Securities

No defaults upon senior securities occurred during the three and nine months ended September 30, 2026 that were not previously reported.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None of our directors or executive officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the three and nine months ended September 30, 2026, as such terms are defined under Item 408(a) of Regulation S-K. Additionally, we did not adopt or terminate a Rule 10b5-1 trading arrangement during the three and nine months ended September 30, 2026.

Item 6. Exhibits

Exhibit Number	Description
10.1	Other Transaction for Research Agreement, dated September 29, 2026, between NRx Defense Systems, Inc. and the Defense Advanced Research Projects Agency
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101†	Interactive data files pursuant to Rule 405 of Regulation S-T formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets; (ii) Unaudited Condensed Consolidated Statements of Operations; (iii) Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit); (iv) Unaudited Condensed Consolidated Statements of Cash Flows; and (v) Notes to Unaudited Financial Statements.
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

* Filed herewith.

**This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

† In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NRX PHARMACEUTICALS, INC.

Date: November 16, 2026

By: /s/ Jonathan Javitt
Chairman and Chief Executive Officer
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NRX PHARMACEUTICALS, INC.

Date: November 16, 2026

By: /s/ Michael Abrams
Chief Financial Officer
(Principal Financial Officer)

Exhibit 10.1

[***] represents redacted information

OTHER TRANSACTION FOR RESEARCH

BETWEEN

NRX Defense Systems, Inc.
1666 Kennedy Causeway, Ste 612,
North Bay Village, Fl 33141

DEFENSE ADVANCED RESEARCH PROJECTS AGENCY
675 NORTH RANDOLPH STREET
ARLINGTON, VA 22203-1714

CONCERNING

Synaptic Plasticity Augmented Rapid Circuit Stimulation (SPARC-TMS)

Agreement No.: HR0011-26-3-E138
Purchase Requisition No.: HR0011687084
Total Amount of the Agreement: $11,177,757.37
Funds Obligated: $6,681,753.00
Authority: 10 U.S.C. § 4021

Line of Appropriation:

CLIN/SUBCLIN	ACRN	Accounting Line	CIN	Amount
0001/000101	AA	^^^097^2026^2027^^0400^000^^255^D^0602024E^^^^^1300^00008522^012199^DARPA^DSO - DEFENSE SC^DSTRJJ^2026.WP-01.CORE.^255.00 R&D Cont^^^	HR00116870840001	$6,681,753.00

This Agreement is entered into between the United States of America, hereinafter called the Government, represented by The Defense Advanced Research Projects Agency (DARPA), and the NRX Defense Systems, Inc (NRx), pursuant to and under United States Federal law. Note that by signing this Agreement, *NRX Defense Systems, Inc.* also attests to the accuracy and completion of the Certifications of the Agreement herein Attachment 8, Certifications for Agreement.

FOR NRX Defense Systems, Inc.

(Signature)

(Name, Title) (Date)

FOR THE GOVERNMENT
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY

(Signature)

(Name, Title) (Date)

[***] represents redacted information.

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[***] represents redacted information.

ARTICLE I: SCOPE OF THE AGREEMENT

A. Background

The purpose of this agreement is to conduct research for the "Synaptic Plasticity Augmented Rapid Circuit Stimulation (SPARC-TMS)" project. The goal is to conduct a pivotal, 240-patient, randomized controlled trial to establish the first validated single-day treatment for treatment-resistant depression (TRD). The project combines ultra-accelerated transcranial magnetic stimulation (uaTMS) with the drug NRX-101 (a combination of D-cycloserine and lurasidone) to prime synaptic plasticity.

Current treatments for TRD, such as SSRIs, SNRIs, and conventional daily TMS, are limited. They require weeks of daily outpatient treatment, have modest response rates of 30-50%, and are not easily deployable in operational military settings. While some accelerated TMS protocols exist, there is no approved single-day treatment that provides a rapid and durable response. Furthermore, no existing treatments have leveraged the synergistic effect of combining TMS with a pharmacological agent that enhances its mechanism of action in a large-scale, FDA-pivotal trial.

This program is a "critical technology" effort because it addresses the urgent need for a rapid, durable, and deployable treatment for depression and suicidality among military personnel. A successful trial will:

- Provide a treatment that significantly reduces time away from duty (from weeks or months to a single day).
- Validate a biomarker suite (using TMS-EEG and fMRI) to enable precision "return-to-duty" determinations.
- Revolutionize the treatment of TRD by providing a new, more effective intervention.

Current TRD treatments are insufficient because they:

- Lack Speed and Durability: They require long treatment periods and do not offer a rapid and lasting solution.
- Are Operationally Undeployable: The multi-week protocols are impractical for active-duty military personnel.
- Lack Precision: There are no validated biomarkers to predict treatment response or to objectively determine when a service member is fit to return to duty.
- Are Less Effective: Prior approaches have not effectively combined TMS with pharmacological agents to enhance its therapeutic effects on synaptic plasticity.

Government support, specifically from DARPA, is necessary because this project aligns with national security interests by addressing the significant impact of depression and suicidality on military readiness. DARPA's investment enables a high-risk, high-reward research program that industry alone might not undertake. This support will fund a large-scale, pivotal clinical trial necessary for FDA approval, which is a costly and complex process. This will accelerate the transition of this critical technology to military and veteran healthcare systems.

The issues of particular importance to DARPA addressed in this proposal are:

- Rapid Treatment: Developing a single-day intervention to minimize time away from duty for military personnel.
- Biomarker Validation: Creating objective, validated biomarkers to guide "return-to-duty" decisions.

[***] represents redacted information.

- Durability and Efficacy: Establishing a treatment that provides a long-lasting, robust antidepressant effect.
- Mechanism of Action: Gaining a deeper, mechanistic understanding of how this combination therapy works.

The dual-use applications for this technology are extensive:

- Military: A deployable, single-day treatment for TRD that can be used in military hospitals and clinics, reducing the impact of depression and suicidality on force readiness.
- Commercial (Civilian): A widely accessible, lower-burden outpatient alternative to current multi-week TMS protocols for the general population. It can also be applied to veterans through the VA healthcare system.

The technology targets treatment-resistant depression, a condition with a substantial patient population in both military and civilian sectors. The "nearly universally accessible" nature of a validated one-day TMS treatment suggests a large potential for adoption, aiming to change the standard of care. The primary commercialization goal is to gain FDA approval for NRX-101 as the first pharmacologic agent to be used as an adjunct to TMS. The transition plan targets three main channels:

- Department of Defense (DoD) military treatment facilities.
- Department of Veterans Affairs (VA) outpatient care.
- Civilian TMS clinics.

If the program is successful, the immediate next step is to use the data to seek FDA approval for the combined therapy. This will fundamentally change the standard of care for TRD. Following this, the plan is to transition the regulated drug-device protocol to DoD, VA, and civilian clinics for broad adoption. Further post-approval studies and real-world outcome registries will be used to answer long-term questions about durability and the potential need for retreatment.

B. Definitions

In this Agreement, the following definitions apply:

Agreement: The body of this Agreement and Attachments 1 – 6, which are expressly incorporated in and made a part of the Agreement.

Data: Recorded information, regardless of form or method of recording, which includes but is not limited to, technical data, software, maskworks and trade secrets. The term does not include financial, administrative, cost, pricing or management information and does not include subject inventions, included in Article VII.

Foreign Firm or Institution: A firm or institution organized or existing under the laws of a country other than the United States, its territories, or possessions. The term includes, for purposes of this Agreement, any agency or instrumentality of a foreign government; and firms, institutions or business organizations which are owned or substantially controlled by foreign governments, firms, institutions, or individuals.

Government: The United States of America, as represented by DARPA.

[***] represents redacted information.

Government Purpose Rights: The rights to use, duplicate, or disclose Data, in whole or in part and in any manner, for Government purposes only, and to have or permit others to do so for Government purposes only.

Invention: Any invention or discovery which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

Know-How: All information including, but not limited to discoveries, formulas, materials, inventions, processes, ideas, approaches, concepts, techniques, methods, software, programs, documentation, procedures, firmware, hardware, technical data, specifications, devices, apparatus and machines.

Limited Rights: Rights to use, modify, reproduce, release, perform, display, or disclose Data, in whole or in part, within the Government.

Made: Any invention means the conception or first actual reduction to practice of such invention.

Party: Includes the Government (represented by DARPA), or the Performer, or both.

Performer: ***NRX Defense Systems, Inc.***

Practical application: To manufacture, in the case of a composition of product; to practice, in the case of a process or method, or to operate, in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is capable of being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

Program: Research and development being conducted by the Performer, as set forth in Article I, Paragraph C.

Property: Any tangible personal property other than property actually consumed during the execution of work under this agreement.

Subject invention: Any invention conceived or first actually reduced to practice in the performance of work under this Agreement.

Technology: Discoveries, innovations, Know-How and inventions, whether patentable or not, including computer software, recognized under U.S. law as intellectual creations to which rights of ownership accrue, including, but not limited to, patents, trade secrets, maskworks and copyrights developed under this Agreement.

Unlimited Rights: Rights to use, duplicate, release, or disclose, Data in whole or in part, in any manner and for any purposes whatsoever, and to have or permit others to do so.

Restricted Rights: The Government obtains restricted rights in other than commercial computer software, required to be delivered or otherwise provided to the Government, that was developed exclusively at private expense.

C. Scope

1. The Performer shall perform a coordinated research and development program ("Program") designed to develop Synaptic Plasticity Augmented Rapid Circuit Stimulation (SPARC-TMS). The research shall be carried out in accordance with the Task Description Document ("TDD") incorporated in this Agreement as Attachment 1. The Performer shall submit or otherwise provide all documentation required by Attachment 2, Report Requirements.

[***] represents redacted information.

2. The Performer shall be paid a pre-established amount for each milestone accomplished in accordance with the Schedule of Milestones and Payments set forth in Attachment 3 and the procedures of Article V. The Schedule of Milestones and Payments may be revised or updated in accordance with Article III.

D. Goals/Objectives

1. The goal of this Agreement is to establish the first validated single-day intervention for treatment-resistant depression (TRD) combining ultra-accelerated TMS (uaTMS: 20 iTBS sessions in one day) with NRX-101 (D-cycloserine + lurasidone) to pharmacologically prime stimulation-induced synaptic plasticity. The program's primary goal is to determine whether active TMS + NRX-101 produces superior antidepressant effects compared to active TMS + placebo and sham TMS + NRX-101 in a 240-subject, 3-arm triple-blind RCT, while validating a biomarker suite (TMS-EEG and fMRI) that can support objective return-to-duty determination and underlying mechanism of action.

2. The Government will have continuous involvement with the Performer. The Government will also obtain access to research results and certain rights in patents and data pursuant to Articles VII and VIII. DARPA and the Performer are bound to each other by a duty of good faith and best research effort in achieving the goals of the Program.

3. This Agreement is an "other transaction" pursuant to 10 U.S.C. § 4021. The Parties agree that the principal purpose of this Agreement is for the Government and the Performer to provide for a coordinated effort to advance research and technology goals of the program and not primarily for the acquisition of property or services for the direct benefit or use of the Government. This Agreement is not intended to be, nor shall it be construed as, by implication or otherwise, a partnership, a corporation, or other business organization.

ARTICLE II: TERM

A. Term of this Agreement

The Program commences upon the date of the last signature hereon and continues for eighteen (18) months. Provisions of this Agreement, which, by their express terms or by necessary implication, apply for periods of time other than specified herein, shall be given effect, notwithstanding this Article.

B. Termination Provisions

Subject to a reasonable determination that the program will not produce beneficial results, either Party may terminate this Agreement by written notice to the other Party, provided that such written notice is preceded by consultation between the Parties. In the event of a termination of the Agreement, it is agreed that disposition of Data developed under this Agreement, shall be in accordance with the provisions set forth in Article VIII, Data Rights. The Government and the Performer will negotiate in good faith a reasonable and timely adjustment of all outstanding issues between the Parties as a result of termination. Failure of the Parties to agree to a reasonable adjustment will be resolved pursuant to Article VI, Disputes. The Government has no obligation to pay the Performer beyond the last completed and paid milestone if the Performer decides to terminate.

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C. Extending the Term

The Parties may extend by mutual written agreement the term of this Agreement if research opportunities within the vision statement set forth in Article I reasonably warrant. Any extension shall be formalized through modification of the Agreement by the Agreements Officer ("AO") and the Performer's Administrator.

ARTICLE III: MANAGEMENT OF THE PROJECT

A. Management and Program Structure

The Performer shall be responsible for the overall technical and program management of the Program, and technical planning and execution shall remain with the Performer. The DARPA Agreements Officer's Representative ("AOR") shall provide recommendations to Program developments and technical collaboration and be responsible for the review and verification of milestones.

B. Program Management Planning Process

Program planning will consist of an Annual Program Plan with inputs and reviews from the Performer and DARPA management, containing a detailed schedule of research activities and milestones.

1. Initial Program Plan: The Performer will follow the initial program plan that is contained in the TDD (Attachment 1), and the Schedule of Milestones and Payments (Attachment 3).

2. Overall Program Plan Annual Review

(a) The Performer, with DARPA PM participation and review, will prepare an overall Annual Program Plan in the first quarter of each Agreement year. (For this purpose, each consecutive twelve (12) month period from (and including) the month of execution of this Agreement during which this Agreement shall remain in effect shall be considered an "Agreement Year"). The Annual Program Plan may be presented and reviewed at an annual site review, at the discretion of the DARPA PM, which will be attended by the Performer's Management, the DARPA AOR, Senior DARPA management or other DARPA program managers and personnel as appropriate. The Performer, with DARPA participation and review, will prepare a final Annual Program Plan.

(b) The Annual Program Plan provides a detailed schedule of research activities, commits the Performer to meet specific performance objectives and describes the milestones. The Annual Program Plan will consolidate all prior adjustments in the research schedule, including revisions/modifications to prospective milestones. Recommendations for changes and technical revisions or modifications to the Agreement which result from the Annual Review shall be made in accordance with the provisions of Article III, Paragraph C.

C. Modifications

1. As a result of meetings, annual reviews, or at any time during the term of the Agreement, research progress or results may indicate that a change in the TDD would be beneficial to program objectives. Recommendations for modifications, including justifications to support any changes to the TDD and prospective milestones, will be documented and submitted by the Performer to the DARPA PM and AOR with a copy to the DARPA AO. This documentation will detail the technical, chronological, and financial impact of the proposed modification to the research program. The Performer shall approve any Agreement modification. The Government is not obligated to pay for additional or revised future milestones until the Schedule of Milestones and Payments (Attachment 3) is formally revised by the DARPA AO and made part of this Agreement.

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2. The DARPA AOR shall be responsible for the review and verification of any recommendations to revise or otherwise modify the Agreement TDD, Schedule of Milestones and Payments, or other proposed changes to the terms and conditions of this Agreement.

3. For minor or administrative Agreement modifications (e.g. changes in the paying office or appropriation data, changes to Government or the Performer's personnel identified in the Agreement, etc.) no signature is required by the Performer.

ARTICLE IV: AGREEMENT ADMINISTRATION

Unless otherwise provided in this Agreement, approvals permitted or required to be made by DARPA may be made only by the DARPA AO. Administrative and contractual matters under this Agreement shall be referred to the following representatives of the parties:

A. Government Points of Contact:

Agreements Officer (AO):
Lydia Richards
Agreements Officer
[***]
[***]

DARPA Program Manager (PM):
Robin Bonomi
Program Manager
[***]
[***]

Agreements Officer's Representative (AOR):
Matthew Riedy
Agreements Officer Representative
[***]
[***]

B. Performer's Points of Contact

Administrative/Contracting:
Dennis Guevara
Study Coordinator
[***]
[***]

Program Manager:
Jonathan C. Javitt, M.D.
[***]
[***]

[***] represents redacted information.

ARTICLE V: OBLIGATION AND PAYMENT

A. Obligation

The Government's liability to make payments to the Performer is limited to only those funds obligated under this Agreement or by modification to the Agreement. DARPA may incrementally fund this Agreement.

B. Payments

1. The Parties agree that pre-established payments will be made for the completion of milestones. These payments reflect advanced payments and value received by the Government toward the accomplishment of the research goals of this Agreement.

2. The Performer has and agrees to maintain an established accounting system which complies with Generally Accepted Accounting Principles and with the requirements of this Agreement

3. The Performer shall document the accomplishments of each milestone by submitting or otherwise providing the Milestones Report required by Attachment 2, Part E. To the maximum extent practicable, the DARPA AOR shall review the deliverable(s)/milestone report(s) and either: 1) provide a written notice of rejection to the Performer which includes feedback regarding deficiencies requiring correction, or 2) written notice of acceptance to the DARPA PM, AO, and Performer within fifteen (15) calendar days of receipt of deliverable(s)/milestone report(s). Upon written approval from the DARPA AOR, the Performer will submit their invoice through Wide Area Workflow (WAWF), as detailed below.

4. Payments will be made by the Defense Agency Financial Services office, as indicated below, within thirty (30) calendar days of an accepted invoice in WAWF. WAWF is a secure web-based system for electronic invoicing, receipt and acceptance. The WAWF application enables electronic form submission of invoices, government inspection, and acceptance documents in order to support DoD's goal of moving to a paperless acquisition process. Authorized DoD users are notified of pending actions by e-mail and are presented with a collection of documents required to process the contracting or financial action. It uses Public Key Infrastructure (PKI) to electronically bind the digital signature to provide non-refutable proof that the user (electronically) signed the document with the contents. Benefits include online access and full spectrum view of document status, minimized re-keying and improving data accuracy, eliminating unmatched disbursements and making all documentation required for payment easily accessible.

5. The Performer is required to utilize the WAWF system when processing invoices and receiving reports under this Agreement. The Performer shall (i) ensure an Electronic Business Point of Contact is designated in System for Award Management at http://www.sam.gov and (ii) register to use WAWF–RA at the https://wawf.eb.mil site, within ten (10) calendar days after award of this Agreement. Step by Step procedures to register are available at the https://wawf.eb.mil site. The Performer is directed to use the "2-in-1" format when processing invoices. The Performer shall maintain an active registration for "All Awards" in System for Award Management (SAM) throughout the life of the award. For WAWF Payment and Invoicing Support, email [***] or contact WAWF help desk at [***] or email [***].

a. For the Issue By DoDAAC, enter HR0011.
b. For the Admin DoDAAC, enter HR0011.
c. For the Service Acceptor AOR fields, enter N6523.
d. Leave the Inspect by DoDAAC, Ship From Code DoDAAC, Service Approver, and LPO DoDAAC fields blank unless otherwise directed by the Agreements Officer.

[***] represents redacted information.

e. The following guidance is provided for invoicing processed under this Agreement through WAWF:
- Acceptance within the WAWF system shall be performed by the AOR upon receipt of a confirmation email, or other form of transmittal, from the AOR.
- The Performer shall upload the AOR approval as an attachment upon submission of an invoice in WAWF.
- Payments shall be made by DFAS-HQ0339.
- The Performer agrees, when entering invoices entered in WAWF to utilize the CLINs associated with each milestone as delineated at Attachment 3. The description of the CLIN shall include reference to the associated milestone number along with other necessary descriptive information. The Performer agrees that the Government may reject invoices not submitted in accordance with this provision.

Note for DFAS: The Agreement shall be entered into the DFAS system by CLIN – Milestone association (MS)/ACRN as delineated at Attachment 3. The Agreement is to be paid out by CLIN (MS)/ACRN. Payments shall be made using the CLIN (MS)/ACRN association as delineated at Attachment 3.

f. Payee Information: As identified at the System for Award Management.

- Cage Code: [***]
- SAM UEI: [***]
- TIN: [***]

6. Payments shall be made in the amounts set forth in Attachment 3, provided the DARPA AOR has verified the accomplishment of the milestones.

7. Government funds shall be maintained in an interest-bearing account prior to disbursement. This account shall not be in U. S. Treasury Notes. Any interest earned shall be remitted annually to the DARPA AO, or designee. Interest payments shall be made payable to the U. S. Treasury. Interest amounts less than One Thousand Dollars ($1,000.00) per year may be retained for administrative expenses.

8. Limitation of Funds: In no case shall the Government's financial liability exceed the amount obligated under this Agreement.

9. Payments shall be made in the amounts set forth in Attachment 3, provided the DARPA AOR has verified the accomplishment of the milestone. It is recognized that the quarterly accounting of current expenditures reported in the "Business Status Report" submitted in accordance with Attachment 2 is not necessarily intended or required to match the milestones until submission of the Final Report; however, milestones shall be revised, within the negotiated fixed ceiling price, during the course of the program to reflect current and revised projected expenditures.

10. Financial Records and Reports: The Performer shall maintain adequate records to account for all funding under this Agreement. Upon completion or termination of this Agreement, whichever occurs earlier, the Performer shall furnish a copy of the Final Report required by Attachment 2, Part F. The Performer's relevant financial records are subject to examination or audit on behalf of DARPA by the Government for a period not to exceed three (3) years after expiration of the term of this Agreement. The AO or designee shall have direct access to sufficient records and information of the Performer, to ensure full accountability for all funding under this Agreement. Such audit, examination, or access shall be performed during business hours on business days upon prior written notice and shall be subject to the security requirements of the audited party.

[***] represents redacted information.

ARTICLE VI: DISPUTES

A. General

The Parties shall communicate with one another in good faith and in a timely and cooperative manner when raising issues under this Article.

B. Dispute Resolution Procedures

1. Any disagreement, claim or dispute between DARPA and the Performer concerning questions of fact or law arising from or in connection with this Agreement, and, whether or not involving an alleged breach of this Agreement, may be raised only under this Article.

2. Whenever disputes, disagreements, or misunderstandings arise, the Parties shall attempt to resolve the issue(s) involved by discussion and mutual agreement as soon as practicable. In no event shall a dispute, disagreement or misunderstanding which arose more than three (3) months prior to the notification made under Subparagraph B.3 of this Article constitute the basis for relief under this Article unless the Director of DARPA in the interests of justice waives this requirement.

3. Failing resolution by mutual agreement, the aggrieved Party shall document the dispute, disagreement, or misunderstanding by notifying the other Party (through the DARPA AO or the Performer's Administrator, as the case may be) in writing of the relevant facts, identify unresolved issues, and specify the clarification or remedy sought. Within five (5) working days after providing notice to the other Party, the aggrieved Party may, in writing, request a joint decision by the DARPA Senior Procurement Executive, and Chief Operating Officer of NRx Defense Systems, Inc., who is appointed by the Performer. The other Party shall submit a written position on the matter(s) in dispute within thirty (30) calendar days after being notified that a decision has been requested. DARPA Senior Procurement Executive, and the senior executive shall conduct a review of the matter(s) in dispute and render a decision in writing within thirty (30) calendar days of receipt of such written position. Any such joint decision is final and binding.

4. In the absence of a joint decision, upon written request to the Deputy Director of DARPA, made within thirty (30) calendar days of the expiration of the time for a decision under Subparagraph B.3 above, the dispute shall be further reviewed. The Deputy Director of DARPA may elect to conduct this review personally or through a designee or jointly with the CEO of NRx Pharmaceuticals, who is appointed by the Performer. Following the review, the Deputy Director of DARPA or designee will resolve the issue(s) and notify the Parties in writing. Such resolution is not subject to further administrative review by the Director of DARPA, whose decision to the extent permitted by law shall be final and binding.

C. Limitation of Damages

Claims for damages of any nature whatsoever pursued under this Agreement shall be limited to direct damages only up to the aggregate amount of DARPA funding disbursed as of the time the dispute arises. In no event shall DARPA be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages. In no event shall the Performer be liable for claims for consequential, punitive, special and incidental damages, claims for lost profits, or other indirect damages, except in cases of willful misconduct by the Performer.

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ARTICLE VII: PATENT RIGHTS

A. Allocation of Principal Rights

1. Unless the Performer shall have notified DARPA, in accordance with Subparagraph B.2 below, that the Performer does not intend to retain title, the Performer shall retain the entire right, title, and interest throughout the world to each subject invention consistent with the provisions of this Article.

2. With respect to any subject invention in which the Performer retains title, DARPA shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the subject invention throughout the world.

B. Invention Disclosure, Election of Title, and Filing of Patent Application

1. The Performer shall disclose each subject invention to DARPA within four (4) months after the inventor discloses it in writing to their company personnel responsible for patent matters. The disclosure to DARPA shall be in the form of a written report and shall identify the Agreement and circumstances under which the invention was made and the identity of the inventor(s). It shall be sufficiently complete in technical detail to convey a clear understanding, to the extent known at the time of the disclosure, of the nature, purpose, operation, and the physical, chemical, biological, or electrical characteristics of the Invention. The disclosure shall also identify any publication, sale, or public use of the invention and whether a manuscript describing the invention has been submitted and/or accepted for publication at the time of disclosure.

2. If the Performer determines that it does not intend to retain title to any such Invention, the Performer shall notify DARPA, in writing, within eight (8) months of disclosure to DARPA. However, in any case where publication, sale, or public use has initiated the one (1)-year statutory period wherein valid patent protection can still be obtained in the United States, the period for such notice may be shortened by DARPA to a date that is no more than sixty (60) calendar days prior to the end of the statutory period.

3. The Performer shall file its initial patent application on a subject invention to which it elects to retain title within one (1) year after election of title or, if earlier, prior to the end of the statutory period wherein valid patent protection can be obtained in the United States after a publication, or sale, or public use. The Performer may elect to file patent applications in additional countries (including the European Patent Office and the Patent Cooperation Treaty) within either ten (10) months of the corresponding initial patent application or six (6) months from the date permission is granted by the Commissioner of Patents and Trademarks to file foreign patent applications, where such filing has been prohibited by a Secrecy Order.

4. The Performer shall notify DARPA of any decisions not to continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceedings on a patent, in any country, not less than thirty (30) calendar days before the expiration of the response period required by the relevant patent office.

[***] represents redacted information.

5. Requests for extension of the time for disclosure election, and filing under this Article, may be granted at DARPA's discretion after considering the circumstances of the Performer and the overall effect of the extension.

6. The Performer shall submit to DARPA annual listings of subject inventions. At the completion of the Agreement, the Performer shall submit a comprehensive listing of all subject inventions identified during the course of the Agreement and the current status of each.

C. Conditions When the Government May Obtain Title

Upon DARPA's written request, the Performer shall convey title to any subject invention to DARPA under any of the following conditions:

1. If the Performer fails to disclose or elects not to retain title to the subject invention within the times specified in Paragraph B of this Article; however, DARPA may only request title within sixty (60) calendar days after learning of the failure of the Performer to disclose or elect within the specified times;

2. In those countries in which the Performer fails to file patent applications within the times specified in Paragraph B of this Article; however, if the Performer has filed a patent application in a country after the times specified in Paragraph B of this Article, but prior to its receipt of the written request by DARPA, the Performer shall continue to retain title in that country; or

3. In any country in which the Performer decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceedings on, a patent on a subject invention.

D. Minimum Rights to the Performer and Protection of the Performer's Right to File

1. The Performer shall retain a nonexclusive, royalty-free license throughout the world in each subject invention to which the Government obtains title, except if the Performer fails to disclose the subject invention within the times specified in Paragraph B of this Article. The Performer's license extends to its domestic (including Canada) subsidiaries and affiliates, if any, and includes the right to grant licenses of the same scope to the extent that the Performer was legally obligated to do so at the time the Agreement was awarded. The license is transferable only with the approval of DARPA, except when transferred to the successor of that part of the business to which the subject invention pertains. DARPA approval for license transfer shall not be unreasonably withheld.

2. The Performer's domestic license may be revoked or modified by DARPA to the extent necessary to achieve expeditious practical application of the Subject Invention pursuant to an application for an exclusive license submitted consistent with appropriate provisions at 37 CFR Part 404. This license shall not be revoked in that field of use or the geographical areas in which the Performer has achieved practical application and continues to make the benefits of the subject invention reasonably accessible to the public. The license in any foreign country may be revoked or modified at the discretion of DARPA to the extent the Performer, its licensees, or the subsidiaries or affiliates have failed to achieve practical application in that foreign country.

3. Before revocation or modification of the license, DARPA shall furnish the Performer a written notice of its intention to revoke or modify the license, and the Performer shall be allowed thirty (30) calendar days (or such other time as may be authorized for good cause shown) after the notice to show cause why the license should not be revoked or modified.

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E. Action to Protect the Government's Interest

1. The Performer agrees to execute or to have executed and promptly deliver to DARPA all instruments necessary to (i) establish or confirm the rights the Government has throughout the world in those subject inventions to which the Performer elects to retain title, and (ii) convey title to DARPA when requested under Paragraph C of this Article and to enable the Government to obtain patent protection throughout the world in that subject invention.

2. The Performer agrees to require by written agreement with its employees, other than clerical and non-technical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in a format suggested by the Performer each subject invention made under this Agreement in order that the Performer can comply with the disclosure provisions of Paragraph B of this Article. The Performer shall instruct employees, through employee agreements or other suitable educational programs, on the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U. S. or foreign statutory bars.

3. The Performer shall include, within the specification of any United States patent application and any patent issuing thereon covering a subject invention, the following statement:

> This invention was made with Government support under Agreement No. HR0011-26-3-E138, awarded by DARPA. The Government has certain rights in the invention.

F. Lower Tier Agreements

The Performer shall include this Article, suitably modified, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

G. Reporting on Utilization of Subject Inventions

1. The Performer agrees to submit, during the term of the Agreement, an annual report on the utilization of a subject invention or on efforts at obtaining such utilization that are being made by the Performer or its licensees or assignees. Such reports shall include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Performer, and such other data and information as the agency may reasonably specify. The Performer also agrees to provide additional reports as may be requested by DARPA in connection with any march-in proceedings undertaken by DARPA in accordance with Paragraph I of this Article. DARPA agrees it shall not disclose such information to persons outside the Government without permission of the Performer, unless required by law.

2. All required reporting shall be accomplished, to the extent possible, using the i-Edison reporting website: https://www.nist.gov/iedison. To the extent any such reporting cannot be carried out by use of i-Edison, reports and communications shall be submitted to the Agreements Officer and Administrative Agreements Officer.

H. Preference for American Industry

Notwithstanding any other provision of this clause, the Performer agrees that it shall not grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any product embodying the subject invention or produced through the use of the subject invention shall be manufactured substantially in the United States. However, in individual cases, the requirements for such an agreement may be waived by DARPA upon a showing by the Performer that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that, under the circumstances, domestic manufacture is not commercially feasible.

[***] represents redacted information.

I. March-in Rights

The Performer agrees that, with respect to any subject invention in which it has retained title, DARPA has the right to require the Performer, an assignee, or exclusive licensee of a subject invention to grant a non-exclusive license to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the Performer, assignee, or exclusive licensee refuses such a request, DARPA has the right to grant such a license itself if DARPA determines that:

1. Such action is necessary because the Performer or assignee has not taken effective steps, consistent with the intent of this Agreement, to achieve practical application of the subject invention;

2. Such action is necessary to alleviate health or safety needs which are not reasonably satisfied by the Performer, assignee, or their licensees;

3. Such action is necessary to meet requirements for public use and such requirements are not reasonably satisfied by the Performer, assignee, or licensees; or

4. Such action is necessary because the agreement required by Paragraph (H) of this Article has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of such Agreement.

ARTICLE VIII: DATA RIGHTS

A. Allocation of Principal Rights

1. The Parties agree that in consideration for Government funding, the Performer intends to reduce to practical application items, components and processes developed under this Agreement.

2. With respect to Data developed or generated under this Agreement related to the program, the Government shall receive unlimited rights, as defined in Article I, Paragraph B except with respect to the data rights and patent rights assertions described in detail in Attachment 6 of this Agreement.

3. With respect to Data delivered pursuant to Attachment 2 under the Agreement, the Government shall receive unlimited rights with the exception of the data listed in Attachment 6. Notwithstanding the provision in A.4, the performer agrees, with respect to data generated or developed under this Agreement, the Government may, within 3 years after completion or termination of this Agreement, require delivery of data and receive unlimited rights except for the data contained in Attachment 6 which will be subject to the rights asserted in that Attachment.

4. March-In Rights

(a) In the event the Government chooses to exercise its March-in Rights, as defined in Article VII, Paragraph I of this Agreement, the Performer agrees, upon written request from the Government, to deliver at no additional cost to the Government, all Data necessary to achieve practical application within sixty (60) calendar days from the date of the written request. The Government shall retain Unlimited Rights, as defined in Article I, Paragraph B of this Agreement, to this delivered Data.

[***] represents redacted information.

(b) To facilitate any potential deliveries, the Performer agrees to retain and maintain in good condition until 3 years after completion or termination of this Agreement, all Data necessary to achieve practical application of any subject invention as defined in Article I, Paragraph B of this Agreement.

B. Marking of Data

Pursuant to Paragraph B above, any Data delivered under this Agreement shall be marked with the following legend:

Use, duplication, or disclosure is subject to the restrictions as stated in Agreement HR0011-26-3-E138 between the Government and the Performer.

C. Lower Tier Agreements

The Performer shall include this Article, suitably modified to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

ARTICLE IX: FOREIGN ACCESS TO TECHNOLOGY

This Article shall remain in effect during the term of the Agreement and for three (3) years thereafter.

A. General

The Parties agree that research findings and technology developments arising under this Agreement may constitute a significant enhancement to the national defense, and to the economic vitality of the United States. Accordingly, access to important technology developments under this Agreement by Foreign Firms or Institutions must be carefully controlled. The controls contemplated in this Article are in addition to, and are not intended to change or supersede, the provisions of the International Traffic in Arms Regulations (22 C.F.R. Part 120, *et seq.*), National Industrial Security Program Operating Manual (NISPOM) (32 C.F.R. Part 117, *et seq.*), and the Department of Commerce's Export Administration Regulations (15 C.F.R. Part 730, *et seq.*).

B. Restrictions on Sale or Transfer of Technology to Foreign Firms or Institutions

1. In order to promote the national security interests of the United States and to effectuate the policies that underlie the regulations cited above, the procedures stated in Subparagraphs C.2, C.3, and C.4 below shall apply to any transfer of Technology. For purposes of this Paragraph, a transfer includes a sale of the company, and sales or licensing of Technology. Transfers do not include:

(a) sales of products or components, or

(b) licenses of software or documentation related to sales of products or components, or

(c) transfer to foreign subsidiaries of the Performer for purposes related to this Agreement, or

[***] represents redacted information.

(d) transfer which provides access to Technology to a Foreign Firm or Institution which is an approved source of supply or source for the conduct of research under this Agreement provided that such transfer shall be limited to that necessary to allow the firm or institution to perform its approved role under this Agreement.

2. The Performer shall provide timely notice to DARPA of any proposed transfers from the Performer of Technology developed under this Agreement to Foreign Firms or Institutions. If DARPA determines that the transfer may have adverse consequences to the national security interests of the United States, the Performer, its vendors, and DARPA shall jointly endeavor to find alternatives to the proposed transfer which obviate or mitigate potential adverse consequences of the transfer but which provide substantially equivalent benefits to the Performer.

3. In any event, the Performer shall provide written notice to the DARPA AOR and AO of any proposed transfer to a foreign firm or institution at least sixty (60) calendar days prior to the proposed date of transfer. Such notice shall cite this Article and shall state specifically what is to be transferred and the general terms of the transfer. Within thirty (30) calendar days of receipt of the Performer's written notification, the DARPA AO shall advise the Performer whether it consents to the proposed transfer. In cases where DARPA does not concur or sixty (60) calendar days after receipt and DARPA provides no decision, the Performer may utilize the procedures under Article VI, Disputes. No transfer shall take place until a decision is rendered.

4. In the event a transfer of Technology to Foreign Firms or Institutions which is NOT approved by DARPA takes place, the Performer shall (a) refund to DARPA funds paid for the development of the Technology and (b) the Government shall have a non-exclusive, nontransferable, irrevocable, paid-up license to practice or have practiced on behalf of the United States the Technology throughout the world for Government an any and all other purposes, particularly to effectuate the intent of this Agreement. Upon request of the Government, the Performer shall provide written confirmation of such licenses.

C. Lower Tier Agreements

The Performer shall include this Article, suitably modified, to identify the Parties, in all subcontracts or lower tier agreements, regardless of tier, for experimental, developmental, or research work.

ARTICLE X: SAFEGUARDING COVERED DEFENSE INFORMATION AND CYBER INCIDENT REPORTING

A. Background

Protection of Covered Defense Information (CDI), to include Controlled Unclassified Information (CUI) and Controlled Technical Information (CTI), is of paramount importance to DARPA and can directly impact the ability of DARPA to successfully conduct its mission. Therefore, this Article requires the performer to protect CDI that resides on the performer's information systems. This Article also requires the performer to rapidly report any cyber incident involving CDI.

B. Safeguarding CDI

The performer shall implement the version of NIST Special Publication (SP) 800-171 in effect at the time the solicitation is issued or as authorized by the Agreements Officer for CUI and CTI that resides on the performer's information systems. Consistent with NIST SP 800-171, implementation may be tailored to facilitate equivalent safeguarding measures used in the performer systems and organization. Any suspected loss or compromise of CDI that resides on the performer's information systems shall be considered a cyber incident and require the performer to rapidly report the incident to DARPA in accordance with Paragraph C below.

[***] represents redacted information.

C. Cyber Incident Reporting

Upon discovery of a cyber incident involving CUI or CTI, the performer shall take immediate steps to mitigate any further loss or compromise. The performer shall rapidly report the incident to DARPA and provide sufficient details of the event—including identification of detected and isolated malicious software—to enable DARPA to assess the situation and provide feedback to the performer regarding further reporting and potential mitigation actions. The performer shall preserve and protect images of all known affected information systems and all relevant monitoring/packet capture data for at least 90 days from reporting the cyber incident to enable DARPA to assess the cyber incident. The performer agrees to rapidly implement security measures as recommended by DARPA and to provide to DARPA any additionally requested information to help the Parties resolve the cyber incident and to prevent future cyber incidents.

D. Public Release

All information and data covered by this Article must be reviewed and approved by DARPA prior to any public release. The DARPA public release process is governed by DARPA Instruction 65. An online form is available to support those requests at: https://www.darpa.mil/work-with-us/contract-management/public-release

E. Lower Tier Agreements

The performer shall include this Article in all subcontracts or lower tier agreements, regardless of tier, for work performed in support of this Agreement.

F. Definitions

Compromise: Disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

Covered Contractor Information System: Unclassified information system that is owned, or operated by or for, a contractor and that processes, stores, or transmits covered defense information.

Covered Defense Information (CDI): Unclassified controlled technical information or other information, as described in the Controlled Unclassified Information (CUI) Registry at http://www.archives.gov/cui/registry/category-list.html, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Governmentwide policies, and is (1) Marked or otherwise identified in the agreement, task order, or delivery order and provided to the performer by or on behalf of DoD in support of the performance of the agreement; or (2) Collected, developed, received, transmitted, used, or stored by or on behalf of the performer in support of the performance of the agreement.

Controlled Technical Information (CTI): Technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents.

[***] represents redacted information.

Controlled Unclassified Information (CUI): Unclassified information that requires safeguarding or dissemination controls, pursuant to and consistent with applicable law, regulations, and Government-wide policies. Instructions for the use, marking, dissemination, and storage of CUI can be found in DoD Instruction 5200.48, "Controlled Unclassified Information (CUI)."

Cyber Incident: Actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.

Information System: A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

Rapidly Report: Report to DARPA within 72 hours of discovery of any cyber incident.

ARTICLE XI: TITLE TO AND DISPOSITION OF PROPERTY

A. Title to Property

No significant items of property are expected to be acquired under this Agreement. Title to each item of property acquired under this Agreement with an acquisition value of $10,000 or less shall vest in the Performer upon acquisition with no further obligation of the Parties unless otherwise determined by the AO. Should any item of property with an acquisition value greater than $10,000 be required, the Performer shall obtain prior written approval of the AO. Title to this property shall also vest in the Performer upon acquisition. The Performer shall be responsible for the maintenance, repair, protection, and preservation of all property at its own expense.

B. Disposition of Property

At the completion of the term of this Agreement, items of property with an acquisition value greater than $10,000 shall be disposed of in the following manner:

1. Purchased by the Performer at an agreed-upon price, the price to represent fair market value, with the proceeds of the sale being returned to DARPA; or

2. Transferred to a Government research facility with title and ownership being transferred to the Government; or

3. Donated to a mutually agreed University or technical learning center for research purposes; or

4. Any other DARPA-approved disposition procedure.

ARTICLE XII: CIVIL RIGHTS ACT

This Agreement is subject to the compliance requirements of Title VI of the Civil Rights Act of 1964 as amended (42 U.S.C. § 2000d) relating to nondiscrimination in Federally assisted programs. The Performer has signed an Assurance of Compliance with the nondiscriminatory provisions of the Act.

[***] represents redacted information.

ARTICLE XIII: EXECUTION

This Agreement constitutes the entire agreement of the Parties and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions among the Parties, whether oral or written, with respect to the subject matter hereof. This Agreement may be revised only by written consent of the Performer and the DARPA AO. This Agreement, or modifications thereto, may be executed in counterparts each of which shall be deemed as original, but all of which taken together shall constitute one and the same instrument.

ARTICLE XIV: PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

A. Definitions

Covered Foreign Country: The People's Republic of China.

Covered Telecommunications Equipment or Services:

(1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities);

(2) Video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);

(3) Telecommunications or video surveillance services provided by such entities or using such equipment; or

(4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a Covered Foreign Country.

Critical Technology:

(1) Defense articles or defense services included on the United States Munitions List set forth in the International Traffic in Arms Regulations under subchapter M of chapter I of title 22, Code of Federal Regulations;

(2) Items included on the Commerce Control List set forth in Supplement No. 1 to part 774 of the Export Administration Regulations under subchapter C of chapter VII of title 15, Code of Federal Regulations, and controlled—

(i) Pursuant to multilateral regimes, including for reasons relating to national security, chemical and biological weapons proliferation, nuclear nonproliferation, or missile technology; or

[***] represents redacted information.

(ii) For reasons relating to regional stability or surreptitious listening;

(3) Specially designed and prepared nuclear equipment, parts and components, materials, software, and technology covered by part 810 of title 10, Code of Federal Regulations (relating to assistance to foreign atomic energy activities);

(4) Nuclear facilities, equipment, and material covered by part 110 of title 10, Code of Federal Regulations (relating to export and import of nuclear equipment and material);

(5) Select agents and toxins covered by part 331 of title 7, Code of Federal Regulations, part 121 of title 9 of such Code, or part 73 of title 42 of such Code; or

(6) Emerging and foundational technologies controlled pursuant to Section 1758 of the Export Control Reform Act of 2018 (50 U.S.C. 4817).

B. Prohibition

In accordance with Public Law 115-232, Section 889 (b), the Performer is prohibited from obligating or expending funds received by the Government under this Agreement to:

1. Procure or obtain;
2. Extend or renew a contract to procure or obtain; or
3. Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses Covered Telecommunications Equipment or Services as a substantial component of any system, or as Critical Technology as part of any system.

C. Lower Tier Agreements

The Performer shall include this Article, suitably modified, in all subcontracts or lower tier agreements.

ARTICLE XV: CYBERSECURITY MATURITY MODEL CERTIFICATION (CMMC)

A. Background

As codified in 32 CFR Part 170, the Cybersecurity Maturity Model Certification (CMMC) Program is designed to ensure Department of Defense (DoD) performers are properly safeguarding Federal Contract Information (FCI) and Controlled Unclassified Information (CUI) that is processed, stored, or transmitted on performer information systems. The CMMC Program provides a consistent methodology to assess a performer's implementation of required cybersecurity requirements. Performers are encouraged to visit the DoD Chief Information Officer CMMC Resources & Documentation site for more information on CMMC: https://dodcio.defense.gov/cmmc/Resources-Documentation/. The information categories used in this Article (FCI and CUI) and in the Cyber Incident Reporting and Public Release Article (CUI, CTI, and CDI) are intended to operate together; the relationship among these categories is described in the Cyber Incident Reporting and Public Release Article.

B. CMMC Level Requirement

(1) The CMMC level required for performance under this Agreement is: CMMC Level 1 (Self), applicable to the information system(s) that will process, store, or transmit FCI in performance of this Agreement.

[***] represents redacted information.

(2) The performer shall not process, store, or transmit FCI or CUI on any information system used in performance of this Agreement unless that system has achieved and maintains a current CMMC status at the level identified in paragraph (1).

(3) The performer shall maintain the required CMMC status for the duration of performance of this Agreement and shall complete and maintain the annual affirmation of continuous compliance in SPRS in accordance with 32 C.F.R. § 170.22.

(4) Plans of Action and Milestones (POA&M): Where the applicable CMMC level permits conditional status, any POA&M shall be closed out within 180 days of the conditional assessment date, consistent with 32 C.F.R. § 170.21. Failure to achieve final status within that period renders the conditional status void.

(5) Failure to Maintain Compliance: Failure to maintain the CMMC status required by this Article, including the failure to close out a POA&M within the required timeframe or maintain a current annual affirmation in SPRS, may be grounds for the Government to, at its sole discretion:
(a) Withhold payments;
(b) Prohibit the performer from processing, storing, or transmitting FCI or CUI under this Agreement until compliance is restored; and/or
(c) Terminate this Agreement for non-compliance.

C. Change in Information Handling Requirements

(1) The CMMC level identified in Paragraph B reflects the information handling requirements anticipated at the time of award. The Parties acknowledge that, in the course of research under this Agreement, the categories of information processed, stored, or transmitted on performer information systems may change, including the introduction of CUI on an information system previously assessed only for FCI.

(2) If the performer determines, reasonably anticipates, or is informed by the PM or AOR that performance will require processing, storing, or transmitting CUI on an information system that does not hold a CMMC status sufficient for CUI, the performer shall promptly notify the Agreements Officer before such CUI is introduced to that system, and shall not process, store, or transmit the CUI on that system until the requirements of this Paragraph are met.

(3) Upon such notification, the Parties shall confer in good faith to determine the appropriate CMMC level, the timeframe for the performer to achieve the required CMMC status, any interim safeguarding or data-handling measures, and any corresponding modification to this Agreement. Any change to the required CMMC level shall be effected by modification of this Agreement.

(4) Pending achievement of the required CMMC status, the performer shall implement interim measures as agreed with the Agreements Officer, which may include deferring CUI-generating activities, segregating or restricting the affected information, or handling the CUI on an alternative information system that holds a sufficient CMMC status.

D. Lower Tier Agreements (Flow-Down)

(1) The performer shall include the substance of this Article in all subawards, subcontracts, and lower-tier agreements, regardless of tier, under which the lower-tier entity will process, store, or transmit FCI or CUI in performance of this Agreement.

(2) The performer shall not award, and shall ensure no lower-tier entity awards, any such instrument to an entity that has not achieved and does not maintain the CMMC status appropriate to the FCI/CUI it will handle, consistent with the flow-down requirements of 32 C.F.R. § 170.23.

(3) The performer remains responsible to DARPA for ensuring lower-tier compliance with this Article.

(4) Verification of Lower-Tier Status: Upon request by the Agreements Officer, the performer shall provide evidence demonstrating how it has verified that its lower-tier entities meet the CMMC requirements flowed down pursuant to this Article. Such evidence may include, for example, confirmation of the subcontractor's status in SPRS.

[***] represents redacted information.

E. Definitions

CMMC (Cybersecurity Maturity Model Certification): The DoD program established under 32 C.F.R. Part 170 that verifies a performer's implementation of cybersecurity requirements through self-assessment or third-party/government assessment, expressed as a CMMC level and status.

CMMC Status: The result of an assessment reflecting the degree to which a performer has implemented the required security requirements at a given CMMC level, as recorded in SPRS.

Controlled Unclassified Information(CUI): Unclassified information the United States Government creates or possesses that requires safeguarding or dissemination controls limiting its distribution to those with a lawful government purpose. CUI may not be released to the public absent further review.

Federal Contract Information (FCI): Information, not intended for public release, that is provided by or generated for the Government under a contractual agreement to develop or deliver a product or service to the Government, but not including information provided by the Government to the public (such as that on public Web sites) or simple transactional information, such as that necessary to process payments.

Plan of Action and Milestones (POA&M): A document that identifies tasks to be accomplished, the resources required to accomplish the elements of the plan, any milestones in meeting the tasks, and scheduled completion dates for the milestones, consistent with 32 C.F.R. § 170.21.

SPRS (Supplier Performance Risk System): The authoritative DoD system of record for posting assessment scores, CMMC results, and affirmations.

ARTICLE XVI: CYBER INCIDENT REPORTING AND PUBLIC RELEASE

A. Background

Protection of Covered Defense Information (CDI), to include Controlled Unclassified Information (CUI) and Controlled Technical Information (CTI), is of paramount importance to DARPA and can directly impact the ability of DARPA to successfully conduct its mission. The cybersecurity safeguarding requirements applicable to information systems used in performance of this Agreement are established in the Cybersecurity Maturity Model Certification Article. This Article addresses the performer's obligations to report and respond to cyber incidents involving CDI, and to control the public release of information under this Agreement.

B. Relationship to Cybersecurity Maturity Certification Article

This Article supplements, and does not replace, the safeguarding requirements established in the Cybersecurity Maturity Model Certification Article. To the extent any provision of this Article addresses the implementation of security requirements for information systems, the requirements of the Cybersecurity Maturity Model Certification Article shall govern. Nothing in this Article relieves the performer of any obligation under that Article.

C. Information Categories

This Agreement uses several related categories of protected information across this Article and the Cybersecurity Maturity Model Certification Article. These categories are intended to operate together, not in conflict, and are understood as follows:

Federal Contract Information (FCI) is information provided by or generated for the Government under this Agreement that is not intended for public release. It is addressed under the Cybersecurity Maturity Model Certification Article.
Controlled Unclassified Information (CUI) is the broader category of unclassified information requiring safeguarding or dissemination controls, and is addressed under both Articles.

[***] represents redacted information.

Controlled Technical Information (CTI) is a subset of CUI consisting of technical information with military or space application subject to dissemination controls (distribution statements B through F).
Covered Defense Information (CDI) is used in this Article as a collective reference to CUI and CTI residing on information systems used in performance of this Agreement.

The cybersecurity safeguarding and certification requirements applicable to FCI and CUI are established in the Cybersecurity Maturity Model Certification Article. The cyber incident reporting and public release requirements of this Article apply to cyber incidents involving CDI (i.e., CUI and CTI). The use of differing category terms between the two Articles does not create separate or conflicting obligations; where the same information falls within more than one category, the requirements of each Article apply concurrently to that information.

D. Cyber Incident Reporting

Any actual or reasonably suspected unauthorized access to, disclosure of, loss of, or compromise of CDI residing on an information system used in performance of this Agreement that could reasonably affect the confidentiality, integrity, or availability of such information, or otherwise affect performance under this Agreement, shall be considered a reportable cyber incident.

Upon discovery of a reportable cyber incident involving CUI or CTI, the Performer shall promptly take reasonable measures to contain, mitigate, and investigate the incident and to prevent any further loss or compromise of CDI. The Performer shall rapidly report the cyber incident to DARPA. The initial report shall include, to the extent known at the time of reporting, the nature of the incident, the date and time of discovery, affected information systems, the categories of CDI potentially affected, known indicators of compromise (including identified malicious software, if applicable), and the containment measures implemented. The Performer shall provide supplemental reports as material information becomes available until the incident has been resolved. The Performer shall preserve and protect forensic evidence relating to the cyber incident, including system images, audit logs, authentication records, relevant monitoring or packet capture data (where available), and other relevant forensic artifacts, for at least ninety (90) days following submission of the initial incident report, or longer if requested by DARPA in support of an ongoing assessment. The Performer shall cooperate with DARPA in assessing the cyber incident and shall provide additional technical information reasonably requested to support the Government's assessment. The Performer shall consider Government recommended mitigation measures in good faith and promptly notify the Agreements Officer of the actions taken or, where applicable, the basis for implementing an alternative mitigation approach.

The Performer shall promptly notify DARPA if the cyber incident materially affects performance under this Agreement, including impacts to technical performance, schedule, cost, or delivery of Agreement milestones, and shall identify planned mitigation measures.

E. Public Release

The Performer shall not publicly release information concerning any cyber incident arising under this Agreement except in accordance with the Public Release Article of this Agreement and DARPA Instruction 65.

F. Lower Tier Agreements

The Performer shall flow down this Article to all subcontractors and lower-tier performers that will receive, generate, access, process, transmit, or store CDI in performance of this Agreement. The Performer remains responsible for ensuring that such lower-tier performers comply with the applicable requirements of this Article.

G. Definitions

Compromise: Disclosure of information to unauthorized persons, or a violation of the security policy of a system, in which unauthorized intentional or unintentional disclosure, modification, destruction, or loss of an object, or the copying of information to unauthorized media may have occurred.

Covered Defense Information (CDI): Unclassified controlled technical information or other information, as described in the Controlled Unclassified Information (CUI) Registry at http://www.archives.gov/cui/registry/category-list.html, that requires safeguarding or dissemination controls pursuant to and consistent with law, regulations, and Governmentwide policies, and is (1) Marked or otherwise identified in the agreement, task order, or delivery order and provided to the performer by or on behalf of the Government in support of the performance of the Agreement; or (2) Collected, developed, received, transmitted, used, or stored by or on behalf of the performer in support of the performance of the Agreement.

[***] represents redacted information.

Controlled Technical Information (CTI): Technical information with military or space application that is subject to controls on the access, use, reproduction, modification, performance, display, release, disclosure, or dissemination. Controlled technical information would meet the criteria, if disseminated, for distribution statements B through F using the criteria set forth in DoD Instruction 5230.24, Distribution Statements on Technical Documents.

Cyber Incident: Actions taken through the use of computer networks that result in a compromise or an actual or potentially adverse effect on an information system and/or the information residing therein.

Information System: A discrete set of information resources organized for the collection, processing, maintenance, use, sharing, dissemination, or disposition of information.

Rapidly Report: Report to DARPA within 72 hours of discovery of any cyber incident.

ARTICLE XVII: PROTECTION OF HUMAN SUBJECTS

a. Definitions. As used in this article—

1. "Assurance of compliance" means a written assurance that an institution will comply with requirements of 32 CFR Part 219, as well as the terms of the assurance, which the Human Research Protection Official determines to be appropriate for the research supported by the Department of Defense (DoD) component (32 CFR 219.103).

2. "Human Research Protection Official (HRPO)" means the individual designated by the head of the applicable DoD component and identified in the component's Human Research Protection Management Plan as the official who is responsible for the oversight and execution of the requirements of this Article, although some DoD components may use a different title for this position.

3. "Human subject" means a living individual about whom an investigator (whether professional or student) conducting research obtains data through intervention or interaction with the individual, or identifiable private information (32 CFR 219.102(e)). For example, this could include the use of human organs, tissue, and body fluids from individually identifiable living human subjects as well as graphic, written, or recorded information derived from individually identifiable living human subjects.

4. "Institution" means any public or private entity or agency (32 CFR 219.102(b)).

5. "Institutional Review Board (IRB)" means a board established for the purposes expressed in 32 CFR Part 219 (32 CFR 219.102(g)).

6. "IRB approval" means the determination of the IRB that the research has been reviewed and may be conducted at an institution within the constraints set forth by the IRB and by other institutional and Federal requirements (32 CFR 219.102(h)).

7. "Research" means a systematic investigation, including research, development, testing, and evaluation, designed to develop or contribute to generalizable knowledge. Activities that meet this definition constitute research for purposes of 32 CFR Part 219, whether or not they are conducted or supported under a program that is considered research for other purposes. For example, some demonstration and service programs may include research activities (32 CFR 219.102(l)).

[***] represents redacted information.

b. The Performer shall oversee the execution of the research to ensure compliance with this article. The Performer shall comply fully with 32 CFR Part 219, 10 U.S.C. 980, and, when applicable, Food and Drug Administration policies and regulations.

c. The Performer shall not commence performance of research involving human subjects that is covered under 32 CFR Part 219 or that meets exemption criteria under 32 CFR 219.104, or expend funding on such effort, until and unless the conditions of either the following paragraph (c)(1) or (c)(2) have been met:

1. The Performer furnishes to the HRPO, with a copy to the Agreements Officer, an assurance of compliance and IRB approval and receives notification from the Agreements Officer that the HRPO has approved the assurance as appropriate for the research under the Statement of Work and also that the HRPO has reviewed the protocol and accepted the IRB approval. The Performer may furnish evidence of an existing assurance of compliance for acceptance by the HRPO, if an appropriate assurance has been approved in connection with previous research. The Performer shall notify the Agreements Officer immediately of any suspensions or terminations of the assurance.

2. The Performer furnishes to the HRPO, with a copy to the Agreements Officer, a determination that the human research proposed meets exemption criteria in 32 CFR 219.104 and receives written notification from the Agreements Officer that the exemption is determined acceptable. The determination shall include citation of the exemption category under 32 CFR 219.104 and a rationale statement. In the event of a disagreement regarding the Performer's furnished exemption determination, the HRPO retains final judgment on what research activities or classes of research are covered or are exempt under the Agreement.

d. DoD staff, consultants, and advisory groups may independently review and inspect the Performer's research and research procedures involving human subjects and based on such findings, DoD may prohibit research that presents unacceptable hazards or otherwise fails to comply with DoD procedures.

e. Failure of the Performer to comply with the requirements of this article will result in the issuance of a stop-work order to immediately suspend, in whole or in part, work and further payment under this Agreement, or will result in other issuance of suspension of work and further payment for as long as determined necessary at the discretion of the Agreements Officer.

f. The Performer shall include the substance of this article, including this paragraph, in all subcontracts/subawards that may include research involving human subjects in accordance with 32 CFR Part 219, and 10 U.S.C. 980, including research that meets exemption criteria under 32 CFR 219.104.

This article does not apply to subcontracts/subawards that involve only the use of cadaver materials.

Exhibit 31.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jonathan Javitt, Chief Executive Officer of NRx Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NRx Pharmaceuticals, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Jonathan Javitt
Jonathan Javitt
Chairman and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a),
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael Abrams, Chief Financial Officer of NRx Pharmaceuticals, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NRx Pharmaceuticals, Inc. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's Board of Directors (or persons performing equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 16, 2026

/s/ Michael Abrams
Michael Abrams
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the period ended September 30, 2026 (the "Report") by NRx Pharmaceuticals, Inc. (the "Registrant"), I, Jonathan Javitt, as Chief Executive Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 16, 2026

/s/ Jonathan Javitt
Jonathan Javitt
Chairman and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the period ended September 30, 2026 (the "Report") by NRx Pharmaceuticals, Inc. (the "Registrant"), I, Michael Abrams, as Chief Financial Officer of the Registrant hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 16, 2026

/s/ Michael Abrams
Michael Abrams
Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Registrant and will be retained by the Registrant and furnished to the Securities and Exchange Commission or its staff upon request.